Moderator's Report

On Conference Proceedings

Premier's Conference On Alberta's Economic Future

May 28 • 29, 1992
Calgary, Alberta

TOWARD 2000 TOGETHER

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Calgary, Alberta

31 August 1992

The Honourable Don R. Getty
The Premier of Alberta
Legislature Building
Edmonton, Alberta
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Dear Premier:

It is with pleasure that we submit the report on the Toward 2000 Together Premier's Conference on Alberta's Economic Future.

The report is divided into several sections and includes: the Conference Process; Setting the Stage; Establishing the Vision; Theme Reports; and Recommendations. Also included in the report are my personal observations on the conference as well as appendices which contain the complete texts of the speeches and list of participants, moderators, speakers and facilitators.

It was an honour to be a part of this important initiative. Hopefully you and your associates will find the report represents a fair and accurate summary of what has transpired since the Toward 2000 Together process began many months ago. We also trust the results will be found to be satisfactory and worthy of forming the basis for an early launching of a collaborative plan for Alberta's new economic strategy.

Yours truly,

H E. Wyatt.

Hal Wyatt
Conference Moderator

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The views and opinions expressed in
this report do not necessarily reflect the views
of the Government of Alberta.

ACKNOWLEDGMENTS

These proceedings were prepared with the help of many people. First, I would like to acknowledge Premier Don Getty, Economic Development and Trade Minister Peter Elzinga and Energy Minister Rick Orman for demonstrating leadership in launching the Toward 2000 Together initiative, and for their willingness to share ownership in the process of developing an economic strategy for Alberta. As well, the guidance and assistance of staff from the Department of Economic Development and Trade and the Public Affairs Bureau have been helpful throughout.

Second, I would like to acknowledge the assistance of Susie Washington and Sari Shernofsky, whose help in preparing this document has been invaluable. Under Susie's capable direction, the staff and associates at Western Environmental and Social Trends (W.e.s.t.) helped to organize the Premier's Conference, which was held at the Calgary Convention Centre, May 28-29. Deserving of special mention are Bruce Ramsay, Sheila O'Brien and Carey Johannesson. Janice Eisenhauer, Lana Webster, Laura Authier, Kim Clark and Jackie Corrall had the difficult task of typing the input from the small groups and thematic plenaries during the conference. Richard Roberts from Praxis prepared the database and provided the conference output in a usable format.

The thought-provoking comments and spirited interaction at the conference of all the thematic speakers — David Elton, Dave McCamus, Caroline Pestieau, Ken Taylor, Ken McCready and Dale Dowell — set the stage for much of the productive output. The stewardship of thematic moderators — Vern Millard, Don Simpson, Donna Allan, Stella Thompson, Natalia Krawetz and Iris Evans — at the conference and their review of these proceedings significantly contributed to the objectivity and credibility of this work.

Finally, on behalf of all who worked on this exciting initiative, we are indebted to the many Albertans who participated in this important project. The success of the conference is due to the delegates who gave so generously of their knowledge, creativity and time. Many of the ideas found in this document have been generated collectively. However, as Conference Moderator, I take responsibility for this report of the conference proceedings. I have attempted to ensure, to the best of my ability, that it fairly represents the issues and ideas of all participants.

Hal Wyatt
Conference Moderator

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1. INTRODUCTION

The Toward 2000 Together process was initiated by Premier Getty in August 1991 as a practical means of soliciting the thoughts and opinions of Albertans. It would have been difficult to envision the number of people who wanted to participate or the quality input they would provide. Through the regional forums, round tables, written and oral submissions and completed questionnaires, all culminating in the Premier's Conference on Alberta's Economic Future, Albertans have shown they truly care about our province and that they want to be involved in planning for its future. Approximately 3,500 Albertans responded to the opportunity to discuss immediate and longer-term strategies for enhancing our economic well-being.

When one considers that almost every major stakeholder group and large organization in the province participated in the Toward 2000 Together consultations, the collective input is clearly representative of the thinking of Albertans across the province.

The Premier's Conference on Alberta's Economic Future was a major milestone in the Toward 2000 Together initiative. And it is no surprise that many of the themes, concerns and suggestions put forward during the previous activities were strongly stated again at the conference. This report is one of three documents expressing public input that resulted from the Toward 2000 Together process. The other two reports are the Banff Centre for Management Report on the Round Table discussions and the Report on the Regional Forums, written submissions and questionnaires. These three reports, together with the input received by the government through several other recent consultative initiatives, will form the basis for drafting a new economic strategy.

The objectives of the conference were to accomplish the following:

- Review and determine what are the most important issues associated with developing an economic strategy, based on the input to date;
- Explore the suggested options and choices so as to recommend priorities and provide guidance in developing a new economic strategy; and
- Ensure that the conclusions of the conference accurately reflect the needs and expectations of Albertans.

The fact that some 550 participants attended — at their own cost and on their own time — demonstrated a willingness by Albertans to play a role in determining what needs to be done.

Participants together came up with many caring, thought-provoking ideas — ideas that I hope will soon be addressed. All of this was accomplished by setting aside personal biases. Participants tried hard to be apolitical in their views, and showed a willingness to listen and consider other opinions carefully.

Most remarkable of all was the determination of participants to become more involved and to assume more responsibility — both personally and as representatives of stakeholder groups — in order to ensure a better future for the province. Without question, participants insisted that governments can no longer plan without consulting all segments of society.

Out of Toward 2000 Together emerged a strong consensus that a new partnership must be formed among government, industry, labour organizations, educators, Aboriginal people, youth, environmental groups and others to attain the goals set out in a new economic strategy. The relationship between and among Albertans touches every sector of society. The conference also affirmed the commonly shared values and beliefs that are necessary upon which to base a strategy.

The report that follows is organized to allow each section to be read independent of the others. This has resulted in a good deal of repetition and I apologize to the reader for any inconvenience this causes. However, the repetition also underlines the fact that there are many common threads running among the six thematic areas, threads such as the role of government and the role of education. To deal only with the specific theme and to leave out these common threads would have distorted the sense and direction each group put forward. The delay in issuing the report resulted from our request that theme moderators review and approve their specific sections.

> ***"The people of Alberta want to be heard. They want to participate. They want to see changes.***
> ***They want to have more opportunities for communication and they want new partnerships involving all stakeholders."***
>
> *— Conference participant*

It will be obvious to the reader that this report does not arbitrate conflicting views. Some participants favored more government, but most did not. There was a general recognition that our tax structure needs to be changed. To some that meant tax increases; to most it meant a less burdensome system.

Time did not permit us to delve deeply into the methodology for change. Nevertheless, the need for change was identified throughout the groups as being necessary and urgent. Similarly, participants could not begin to prioritize the recommendations for new approaches. Nor was sufficient time available for the necessary in-depth analysis of the issues and options put forward. This report, therefore, only suggests some ideas and possible actions and does not make any firm recommendations. Analysis and prioritization must soon follow, if the momentum and the valuable contributions of all participants are to be maximized.

Finally, the leaders of our government, our businesses and other organizations must recognize one failure of the conference. While more minorities and women were in attendance than at many other similar ventures, the group was definitely male-dominated, with too few representatives of our ethnic mosaic, and even fewer from environmental interest groups and also from the less privileged sectors of our society. Some representatives from these groups were invited to attend, and perhaps economic assistance should have been extended to allow them to participate in this opportunity to provide input. As well, most participants were between the ages of 35-55, and older Albertans were notably under-represented.

In the future, we must strive to include stakeholders from **all** groups in whatever collaborative process is adopted for the ongoing development and implementation of an economic strategy. Only then can we say the people of Alberta have indeed been empowered to move our province into a brighter future by the year 2000.

2. MODERATOR'S OBSERVATIONS

At this time, I wish to acknowledge the honor paid to me in being asked to serve as moderator. It was a great pleasure working with so many dedicated, capable people. Like many of the participants at the conference, I, too, have been troubled by the events that have reduced our economic well-being and clouded the hopes of young people for the future.

However, through the interest of the participants I have been buoyed to share in their determination to find solutions that are creative, constructive and considerate of all Albertans. Participants recognized that there was little to be gained in reliving the past — or attempting to place blame.

In reflecting on discussions at the conference, much of this report focuses on the so-called "softer" issues, such as society's values. However, it is important to remember that the purpose of an economic strategy is to create wealth — profit is not an offensive term. We must create wealth in order to be able to afford the programs and services that reflect the values our society holds dear.

There is full recognition of the changing world in which we live and the difficult hurdles to overcome. But despite these constraints, participants still want to be more involved. They want to be heard, to be consulted and to take more responsibility for solving our complex array of difficulties. So do I, as do most Albertans who would welcome empowerment of the people to contribute to the solutions. It is clear from comments made at the conference that our society is ultimately shifting from representational democracy to a more participatory form of government.

Hopefully, my report will reflect the views presented by participants as unbiased and, in particular, apolitical. For that is what we asked of them and that is how they responded.

Despite the fact that **all** stakeholders have a role in achieving our goals for the future, participants spent a significant amount of time discussing the role of government. This subject came up frequently and every group put forward numerous suggestions for different approaches and policies. Some of these suggestions call for difficult decisions, innovative trade-offs, revolutionary changes — and even the total abandonment of traditional roles and activities. Some suggestions applied to the federal government and some to municipal governments, but most were meant for the provincial government.

Another important aspect of the conference was its focus on the province of Alberta. As Albertans, we must take care not to be xenophobic. We must integrate our provincial strategies and vision with our national goals and priorities, which are currently being developed in a similar federal consultative process, the Prosperity Initiative. However, that is a task for another day.

The underlying point to remember is that the ideas presented in this report were the ones most frequently put forward by a number of groups. Many other ideas and criticisms were offered and, in due course, must be considered.

THE ROLE OF GOVERNMENT

There was a generally recognized view that a dramatically different mechanism for consultation among stakeholder groups must be developed. Government's role should be that of a facilitator — to help coordinate and initiate interaction so that new policies and practices can be introduced. Subsequently, government should also play a much smaller role in the implementation process.

It was recognized that there were too many overlapping authorities in government, leading to delays in decision-making. Policies are unclear, unresponsive and not cost-effective. (NOTE: Ontario recognized this difficulty and appointed a facilitator to help stakeholder groups, businesses and/or individuals work through the maze of government bodies and regulations. B.C. is reported ready to do the same.)

Clearly, the need for less government — not more — was a point made repeatedly. Based on their own experience, participants firmly believed that the government could operate efficiently with fewer ministries. They believed that the bureaucracy has become intransigent, and seemingly determined to retain power at all costs. Too many public servants have lost the respect of stakeholders and have forgotten that they are servants of the people. Comparisons with other provinces on the ratio of ministries and personnel, per population, form one of the bases for criticism.

Participants expressed serious concerns about the accumulated debt of governments at all levels, and encouraged immediate action to reduce these deficits and control future spending. They urged the examination of government functions. With fewer boards, less duplication, and clearer regulations and policies, the government could easily become more effective and responsive to public needs.

In addition, taxation policies need to be reviewed. Taxation must encourage wealth creation and so contribute to economic growth. Business needs encouragement to invest, in order to grow and create jobs. Royalties for the energy industry should be reduced sharply, if this key economic engine is to spurt forward. As well, the removal of property taxes on machinery and equipment would help make Alberta businesses more competitive.

A key role for government is to create an environment that will attract investment and encourage entrepreneurs. A shortage of capital is a serious impediment to progress and must be addressed.

Governments should not be choosing winners and supporting individual sectors or companies through financial assistance programs — to the competitive disadvantage of others. Such support is seen as unfair and politically motivated. What is needed is a level playing field for all, with similar treatment for individuals, businesses, regions and municipalities. The only exception should be to alleviate the circumstances of clearly disadvantaged people and regions in our province.

Governments should not be competing with businesses that already serve the people. In fairness, Alberta has a better reputation in this regard than other provinces, but more can be done.

Finally, immigration — chosen not by the color of their skin but by their skills and knowledge — will serve many purposes. Immigration will increase our population and thereby enhance our local markets. It will also allow us to gain access to the many skills we need to foster our economic growth and diversification.

EDUCATION

It will be obvious from reading the thematic group reports, that education is seen as both a constraint and an opportunity. Of all the suggestions put forward for a better economic future, improved educational opportunities was seen as a prime necessity.

A more comprehensive study of what needs to be done to introduce change is urgently required. Without new approaches, we cannot provide the variety of skilled people we need in order to compete. Job creation and opportunities for graduating students will be lost. Lifelong learning must be emphasized and supported.

In determining how to proceed, there was general recognition of the importance of stakeholder groups. These must include not only the appropriate government ministries, the educators, school boards and administrators, but also business, labor unions, professional and technical groups, parents and the students themselves. All groups must be given the chance to contribute.

There is much that can be done, even within current financial constraints. Education should be near the top in our priority setting. And here again, equal opportunities for all is implicit.

"The country that first raises the productivity of knowledge of service workers will dominate the 21st century."

Peter Drucker , Harvard Business Review

ENVIRONMENT

It was self-evident to participants that the principles of sustainable development must form the foundation for a new economic strategy. As little as five years ago, few people would have linked the environment and the economy so irrevocably. Moreover, most Albertans have now accepted that the environment isn't just a cost — that it is possible to make progress on the economy and the environment at the same time.

TOURISM

In the writer's opinion, too little was said about tourism opportunities. Several suggestions were based on our attractive ambiance: the mountains, the lakes and streams, clean air, etc. However, I think tourism should be given far more prominence in our planning, from both environmental and economic points of view. After all, it has been predicted by Dr. Brent Ritchie of The University of Calgary in his recent, international prize winning essay, that by the year 2000, tourism may be Canada's number one industry.

THE PEOPLE

One of the memorable threads throughout the conference was the **caring attitude** of the participants. Regardless of themes, there seemed to be a consensus on the need to look after disadvantaged groups and individuals. However, it was also recognized that some members of our society have

become too accustomed to the government taking care of their needs. As a result, we have a number of unmotivated individuals who could — and should — be doing more for themselves. Thus, some of us are also questioning universality, urging a return to some of the independent ways and values of our forefathers.

There was a clear recognition of the requirements of Aboriginal people, who desperately need the opportunity to participate fully and with dignity in the future of Alberta.

Farmers are an important group as well. They have had real problems with world commodity pricing practices and trade barriers.

There are so many disadvantaged — the homeless, the poor, the handicapped, the sick, the abused and the substance abusers. All need to be helped. Programs are urgently needed to deal with the plight of the illiterate, the drop-outs and those who, because of family crises, are denied the opportunity for useful roles in life. However, our current social programs — some of which may seem inadequate — cannot be sustained, let alone improved, unless new ways are found to finance them. In addition, there is a need to build bridges, to involve the disadvantaged in work programs, and to understand that there are ways and means to involve people. It is up to us to find them.

It is obvious a better economy is essential if we are to move ahead in social programs and restore more of our citizens to a productive role in society.

CONCLUSION

In conclusion, as conference moderator I hope that this report represents a useful overview of the criticisms presented, balanced with the many ideas and suggestions made to form the basis for our economic renewal here in Alberta.

The easiest part has been done. The difficult work lies ahead. But the government should be heartened to know that there are many people prepared to help determine and achieve the vision that we all need in order to move forward together into the twenty-first century.

3. THE CONFERENCE PROCESS

The conference was designed to promote intensive discussion among participants, building on and consolidating the previous Toward 2000 Together consultations and submissions.

In reviewing all the input received before the conference, a number of common themes emerged. Consequently, the conference discussions were developed around these themes: The Future of Resources; Knowledge: Technology, Information and Innovation; Training, Education and Lifelong Learning; Competing in a Global Economy; Environment and Sustainable Development; and Community-Based Economic Development.

Prior to the conference, participants were given a copy of the "Summary Report — What Albertans are Saying About Our Economic Future" (prepared by the Alberta Government), a copy of the "Summary Report — Roundtables on the Future of the Alberta Economy: A Continuing Journey" (prepared by The Banff Centre for Management) and a conference workbook. They were asked to select one of the six themes and were divided into small groups structured to reflect a diversity of views and backgrounds. A facilitator was assigned to each group to help organize discussion and ensure consistency of process.

Three topics for organizing the discussions were identified. Working groups first discussed where Albertans want to be by the year 2000 and sought to establish a common vision. Participants then focused on their theme and addressed the challenges facing Alberta — constraints, opportunities and uncertainties. Finally, they looked at the range of options, choices and priorities that need to be considered in developing a new economic strategy. Participants were asked to try to reach agreement in these areas or, alternatively, to clarify areas of disagreement.

Following the Opening Plenary, participants took part in three small-group workshop discussions, which were recorded and summarized in "theme-specific" plenary sessions, noting where there was consensus and where there were dissenting views. The six theme moderators then summarized their groups' findings at the final plenary. The workshop process acted as a filter of opinion, refining priorities from the many ideas participants brought to the table.

The process of refinement is continued in this report. Detailed notes were kept on small group and plenary reports. These comments were transcribed and entered into a computer database. Searches were conducted for each of the discussion areas by theme and also more generally. Thus, the report is based on a content analysis of the workshop summaries and supporting materials from each group.

4. SETTING THE STAGE:
Summary of Opening Plenary – Keynote Speeches

As participants gathered at the Opening Plenary session on Thursday morning, they were primed for the large task that lay ahead. Following a brief video, participants heard remarks from Premier Don Getty, Ministers Peter Elzinga and Rick Orman, Dr. Don Simpson of the Banff Centre for Management who reported on the Round Table discussions, and Ms. Roberta Barker, a student. (Full texts of the speakers' formal remarks can be found in Appendix A.)

Premier Getty discussed the success of the Toward 2000 Together process to date and reviewed the importance of a new economic strategy. "We have had some stark realities to face in Alberta," he said. "We have felt the effects of a very harsh North American recession."

"In addition, trading relationships are being revolutionized throughout the world, and the political landscape is being totally transformed. With all the changes occurring, it is time to examine our past assumptions," Mr. Getty said "— to look at how we can benefit from change rather than being fearful of it."

Mr. Getty also reaffirmed the importance of the stakeholder consultation process. "Our government is committed to listening to Albertans," he said. "We don't want the conference to end, and then we report back with a paper. We want you working with us, we want your help to guide us, giving us your ideas and thoughts. And we want you traveling this journey with us, as we make our tough choices."

Following Mr. Getty's remarks, Peter Elzinga, Minister of Economic Development and Trade, reviewed the Toward 2000 Together process, noting that the input to date formed the basis for the conference structure by identifying theme areas.

Mr. Elzinga also noted that the key word in "Toward 2000 Together" was "together." "There is no doubt in my mind that, as a province, we are going to continue to be leaders because of the wisdom of your input," he said.

Energy Minister Rick Orman, Chairman of the Economic Planning Cabinet Committee, then commented on the consensus that had already emerged from Toward 2000 Together participants regarding the need to work together, to form strategic alliances. "I am referring not only to government and stakeholder groups," he said, "but cooperation and joint problem solving among groups — whether it's labour and management, environmentalists and industry, or universities and industry."

Mr. Orman also noted that an effective economic strategy must take into account the current rapid pace of change. "Flexibility and adaptability are key ingredients for future success," he said.

Don Simpson of The Banff Centre for Management noted that the Round Table discussions were intended to offer a non-partisan, cross-disciplinary view of the economic challenges and opportunities facing the province. "We tried to

develop new mental maps, new images, new languages and new metaphors to help us understand the new post-industrial era," he said. One important theme to emerge in the discussions was how to function successfully in an economy where brain power and human capital are as important as physical capital. Innovation in the broadest sense is needed, he noted, as we deal with strategies that are becoming more complex, and even paradoxical.

Roberta Barker, one of a number of students who were invited to attend the conference, then addressed the participants, describing the hopes of her generation for the future of Alberta. She asked participants to spend the next two days as productively as possible, so that the future will offer her generation many opportunities. Quoting the poet, Yeats, she said: "Tread softly, because you tread upon our dreams."

Ms. Barker also thanked the Alberta government for the opportunity given to students to participate at the conference. "We are becoming adults," she said, "and it is vitally important for us to seize the chance to meet with others and to discuss issues."

Participants were then given their "marching orders" by the conference moderator. They were urged to "check political ties at the door." It was noted that participants from all political parties and elected officials from all three levels of government were in attendance. And moderators, speakers and facilitators were selected by W.e.s.t., the conference organizers, to ensure objectivity, credibility and openness.

Participants were also encouraged to let go of their biases, and approach the tasks ahead with fresh ideas, willing to open their hearts and minds to the opinions of others.

The media were also welcomed at the conference, and were encouraged to attend and report on the plenary sessions. They had an important role to play in recording the progress at the conference so people who were not there could understand the process.

5. ESTABLISHING THE VISION

(A synthesis of comments noting areas of consensus and areas of difference)

In the Toward 2000 Together discussion paper published last summer, a possible vision for Alberta in the year 2000 was outlined:

"Alberta is a diversified, internationally competitive economy which provides challenging employment opportunities and the means to maintain the quality programs that Albertans have come to expect in education, health and social services. Alberta is a leader in protecting the environment and ensuring that future generations can sustain prosperity, living standards and continued quality of life."

As the first task at the conference, participants were asked to comment on whether they viewed this as an appropriate vision, to suggest amendments or to recommend alternatives. Like the north star, their vision would guide participants through the discussions that followed over the next two days.

IMPORTANCE OF VISION

The vision is our "beacon for the future," said conference participants. An explicit vision is the first step in developing a strategy for Alberta. The vision must incorporate beliefs and values that are embraced by all Albertans. Such values provide a sense of priorities in how wealth should ultimately be allocated. Participants discussed and listed those values that they felt must characterize our future society.

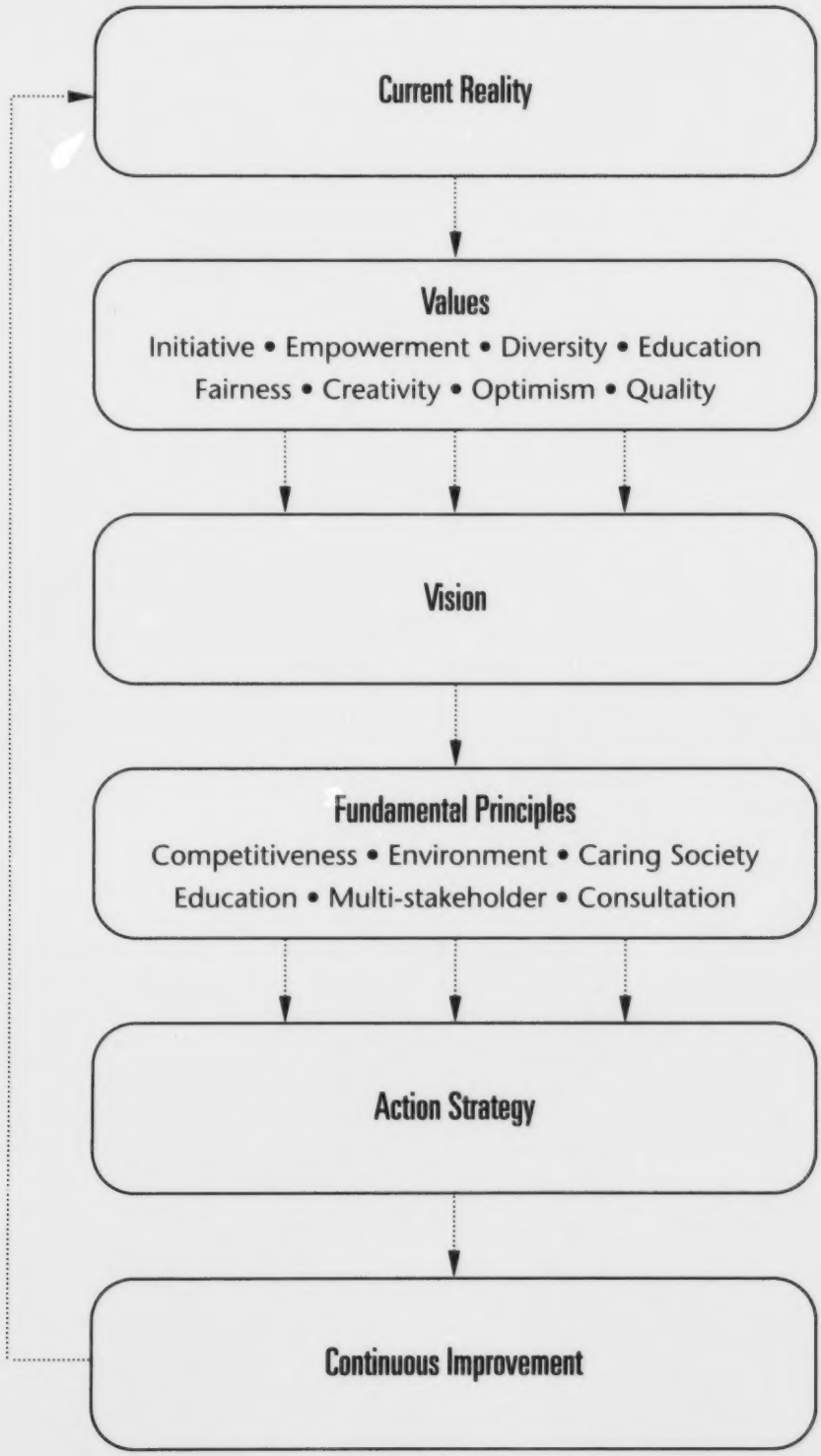
While a new economic strategy must, by its nature, focus on creating wealth, a vision must also incorporate fundamental principles that provide some guidelines on how that wealth should be created. Concern for the environment, a strong focus on education and a caring society were some fundamental principles put forward by participants as being essential.

Conference participants were firm in their belief that a vision which is embraced by all Albertans is crucial in developing a new economic strategy. They reinforced the following axiom: "if we don't know where we're going, we can't get there." A vision not only points the way, it also serves as a signpost. A clear vision allows us to test all our plans and programs, to ensure they incorporate the vision's underlying principles. It also keeps us focused on the proper goals and objectives.

Many participants stated that the draft vision was too "limiting" and considered it "a justification for present action, rather than a beacon for the future." The draft vision was too wordy and too general, they thought. Neither did it reflect the values that describe the type of society which Albertans want to create.

Conference participants felt strongly that a vision must set high expectations and be a "rallying cry." It should unite all Albertans in striving to achieve common goals. It must present the "most desirable" future and be truly inspirational. Such a vision may be beyond our grasp, but that makes it all the more challenging.

The Visioning Process



Consensus building is only the first step, however. The vision must be clear from the outset and be flexible. The process must remain open to all, and people should be encouraged to participate and ask questions along the way.

There was also support for the concept of "think globally, act locally," especially at the community level. Communities need to develop a vision also, one that is quite focused and specific to the strengths of their region. These visions should be developed in the context of a broader, provincial vision. The provincial strategy must also incorporate ways to nurture local initiatives.

VALUES IDENTIFIED

Commonly held beliefs and values, those aspects of life Albertans stand for and consider to be essential, are important elements of a vision for the future. Just as individuals create their own values, which help them set priorities in how they spend their time, money and energy, so must Alberta set its values, which describe the type of society Albertans are striving for. The following are a number of those values that were repeatedly mentioned by discussion groups.

Initiative

> ***"We can change anything we want to change."***
>
> *— Conference participant*

There was consensus that individuals have a responsibility to make change happen. Each of us must assume some responsibility for achieving the vision — we cannot wait for government and other organizations. Albertans must also take responsibility to be informed, to listen to other views, to form their own opinions and contribute those opinions. Initiative will also be needed to foster a stronger entrepreneurial society. Indeed, participants demonstrated their willingness to take initiative throughout the conference — they talked, they listened, they insisted on being involved.

Empowerment

There is a need for individuals to be empowered and each person must be valued for his or her contribution. We must "encourage small things to grow."

Diversity

Tolerance and understanding of our racial, cultural, gender and other differences are part of Albertans' vision for the future. But tolerance and understanding alone are not enough. As a society, we must make a stronger effort to include members of all groups in the decision-making process. Equal opportunity must truly be available to all Albertans. The more we take advantage of the different insights and perspectives available to us, the better our decisions — and the more creative our solutions.

Education

Education must be embraced as an important value by all Albertans if we hope to achieve our vision. As we experience the global shift to a knowledge-based society, more demands will be put on our education system and on industry to become more involved in education. More workers with technical and scientific skills will be required. And a more rigorous education system will be needed to ensure sufficient skills for those not going on to higher education. We will also need to teach more business and entrepreneurial skills. Ultimately, a well-educated work force will find "challenging, satisfying" jobs.

In addition, we need to foster a culture of lifelong learning. Workers must take initiative for their own training, retraining and upgrading, as their jobs change and evolve throughout their careers. And businesses and labor unions must also assume more responsibility for developing ongoing training programs for workers. Such training must be viewed as an investment, not a cost. We must create a society where individuals take responsibility to inform themselves, and where organizations make a stronger effort to inform the public.

Participants also confirmed education as being an important fundamental principle, in addition to being a value. See further discussion under Fundamental Principles.

Creativity

Our society does not recognize creativity as a value now, but it must in the future. For example, creativity could be expressed in research to develop innovative ways to clean up our environment. It also means promoting a positive attitude toward innovation and change. Not all of us can be creative, but we can recognize and reward creativity in others and nurture its development. The point can also be made that creativity, as exemplified in cultural and artistic activities, is an important contributor to both the economy and the quality of life we enjoy.

Optimism

We must foster a positive "can do" attitude. In our pursuit of excellence, we must expand the boundaries and challenge traditional assumptions and approaches to see if we can "do things better." We need to develop the will to try and to succeed, as well as an entrepreneurial spirit conducive to risk taking.

Quality

Quality leadership, quality people and a quality infrastructure — there was a consensus among participants that quality was a vital component of our vision.

> ***"We need to strive for excellence, be the best we can be — the only limitations are self-imposed."***
>
> *— Conference participant*

Fairness

Fairness and equity are also important values. There is a need for a "level playing field" in government's efforts to support industry, as well as consistent standards for business practices. There should also be equal and diverse opportunities for employment.

FUNDAMENTAL PRINCIPLES

While no consensus was reached in the plenary on the words for a new vision, certain fundamental principles threaded through many of the workshop discussions. They were repeated again and again by different participants, regardless of individual backgrounds and disciplines. These principles were regarded as essential building blocks and the basic foundation for a vision of Alberta for the future. Just as individuals have principles by which they stand, and through which their actions are guided, so, too, should our society recognize the principles that describe how we will achieve our vision.

Competitiveness

Most groups stressed the need for Alberta and its businesses to be competitive in the global marketplace — only if we are competitive can we create the wealth needed to provide the society we envision. We must be inventive in how we are competitive and how we define it. Being competitive means a strong focus on price, delivery and quality. We must make it better, faster and cheaper — or we won't get the business. That is the reality of the global marketplace. One important aspect of competitiveness is being flexible, to respond quickly to changing conditions.

Environment

The importance of the environment was also a fundamental principle. Participants were firmly convinced that the environment and the economy are closely linked. Environmental protection **must** be a fundamental consideration in developing a strong economy, and care must be taken to use our resources wisely. This was stated over and over again. Many groups confirmed their support for the vision developed by the Alberta Round Table on Environment and Economy, and its commitment to making progress on the economy and the environment at the same time. Programs to reduce waste and clean up the environment must continue unabated.

Caring society

Another fundamental principle that arose in most discussions was a strong focus on social values and the need to maintain a "caring" society. Health care, cultural activities and social support programs are vital aspects of the quality of life for Albertans. We must set social goals, as well as economic and environmental goals, and create incentives that allow us to reach those goals in a sustainable way. At the same time, programs must be developed in a responsible manner, acknowledging the costs associated with their implementation.

Education

A fourth fundamental principle identified by participants was education. Education has come out front and center, to take its place as a crucial issue for the '90s. More than ever before, our success will depend on having high-quality, accessible education programs that help us meet our goals and objectives.

Our total approach to education — our way of thinking — will also need to be re-evaluated. Education can no longer end on graduation day, but must continue throughout our lifetimes.

Multi-stakeholder consultation/collaboration

There was a consensus among participants that multi-stakeholder consultation must be an underlying principle of a new economic strategy. The old style of "top-down decision-making" inhibits creativity and innovation, and is no longer as effective with today's well-informed population. Ultimately, multi-stakeholder consultation will lead to better decision-making and greater commitment. More strategic alliances, partnerships and joint problem-solving among stakeholder groups including business and labour, environmentalists and industry are also required. There must also be stronger recognition of the "interconnectedness" of people and groups. As Albertans, we all share some common values and perceptions.

SOME REQUIREMENTS FOR A VISION

In the first workshop, participants were also asked for recommendations on how to achieve their vision for Alberta. The ideas put forward were part of a "general brainstorming" and were not related to the specific themes of their workshops. It was striking that the same ideas emerged from all groups and were considered to be crucial in achieving the vision.

Processes

Participants identified the need for better processes based on cooperative decision-making, including more public and stakeholder consultation and more expeditious time-lines within the processes. Processes must also include a clear link between consultation and ultimate decision-making, so that stakeholders receive prompt feedback and can see how their input is used. Developing alliances and increased collaboration must be a priority for all stakeholders.

Education

A high-quality and accessible education system is key to creating confidence and opportunities. Public information is an important aspect of education, and stakeholders must be much better informed on a variety of issues. There must also be more training to ensure responsible, knowledge-based, environmentally sensitive solutions.

Continue good programs

The resource sector will continue to be a driving force for economic prosperity in our province. We must build on this important sector for continued success. In addition, Alberta is seen as a leader in environmental issues and we must continue to build on that reputation. We must maintain existing environmental programs and exploit the exportability of environmental expertise, technology training and processes.

Research and development

We need to be more proactive in undertaking research and development, such as AOSTRA has been in developing the oil sands. New technology should be linked to our resources. In addition, society must be educated on the contributions being made by science and technology in developing new products.

A more predictable, responsive regulatory system

Government must be extremely careful in developing and revising the regulatory framework for the province. This framework must work toward empowering industry and other stakeholder groups to work together in developing innovative solutions. We must move from "command and control" policy instruments to include market-based approaches where the stakeholders can decide how goals will be achieved. Regulations should neither create barriers to business nor protect Albertans from competition.

Trade barriers

We must work toward eliminating barriers of all kinds to enhance our market access, including barriers between provinces as well as throughout the world.

Taxation

Participants stressed our taxation system needs to be globally competitive and more focused on creating wealth. The tax system must provide a more enabling, less restrictive, business climate. Businesses should not be given start-up funds and then taxed out of existence. Local and property taxes could subsidize concrete infrastructure, while provincial funds could be allocated to "softer" priorities, such as social programs.

ROLES AND RESPONSIBILITIES

There was an overwhelming consensus by all discussion groups that government needs to change. "Limit government's role," they said. "Less government, less regulation — and more fiscal responsibility."

Government should act as a "facilitator" or "enabler" — not a "manager." Where legislation is required, the government should develop incentives using market forces to allow businesses and other institutions as much leeway as possible in meeting objectives. Government cannot show favoritism, either. Financial assistance packages for businesses must be curtailed — and especially not used for political purposes.

Participants also confirmed that stakeholders want to be involved in setting policies and making decisions. Local governments, too, want more responsibility in implementing programs. And individuals should be encouraged to help make the vision happen. "We want Albertans to work toward creating communities in which they have opportunities for productive, safe, dynamic lives. We don't expect the government to do everything for us."

SUGGESTED VISIONS

While no consensus was reached on a specific new vision, participants agreed that the vision must be clear and concise. In some cases, participants put forward a vision that incorporated values using a multi-level framework which included the individual, society, the environment and the world.

Some participants suggested that the focus for the vision should be on the individual — emphasizing that barriers need to be removed to allow the individual to realize his or her potential. Others discussed the importance of balancing the needs of the individual and society for the common good. Still others believed that the focus should be on fostering effectiveness, motivation, creativity, innovation and high performance. Others suggested focusing on the need to build a "collaborative culture."

A number of groups stated their support for the vision of the Alberta Round Table on Environment and Economy: "Alberta, a member of the global community, is a leader in sustainable development, ensuring a healthy environment, a healthy economy and a high quality of life in the present and the future."

Those who wanted a "snappier" vision suggested: "Alberta, where people make the future happen by learning and working together."

The following are some suggested visions from different discussion groups.

"Alberta will build, through partnerships and community, a sustainable, equitable and caring productive society. A society where all people have the skills and opportunity to participate in a productive and satisfying manner. Government and social leaders are stewards of a society that guarantees personal security. Education is the basic vehicle for empowering individuals to be self-confident, entrepreneurial and proud to be Albertans and Canadians. The economy will be based on traditional and new industry. Success will be measured by reduced unemployment, illiteracy, etc. The culture will value personal excellence and effectiveness."

"Alberta is an outward looking, internationally competitive, dynamic Canadian province, balancing economic development, environmental quality and social goals. Known for its high-quality education, technological innovation and financial stability, the province will effectively address new challenges through strong leadership and cooperative partnerships involving government, business and other stakeholders."

"Alberta's economy should enable the setting of common social, environmental and economic goals, and the creation of incentives that allow us, using creativity, to reach those goals in a sustainable way."

"The Province of Alberta will enjoy a vibrant, global, free-market economy through an emphasis on education, diversification, strategic alliances and technology. It will be accomplished in harmony with the environment, quality of life and respect for individualism and equality."

"Alberta is a diversified, internationally competitive economy that provides challenging employment opportunities and lifestyle options, and nurtures such values as cooperation, innovation, lifelong learning and commitment. Alberta is a leader in protecting the environment and ensuring that future generations can sustain prosperity, living standards and quality of life."

"Alberta's economy is adaptive, diversified and internationally competitive, founded on the strengths of its natural and human resources. It provides rewarding employment while meeting the needs of a healthy, well-educated and dynamic society. Alberta exhibits leadership, ensuring hope, opportunity and high quality of life for future generations."

"Albertans will make their economy within Canada innovative, flexible and internationally competitive, providing challenging opportunities and reasonable expectations. We will be a leader in protecting the environment and managing our wealth and resources to ensure the prosperity of future generations."

"Albertans will aspire to a responsible and prosperous society within Canada, which builds on the strength and innovation of its people and the abundance of the province's natural resources. The Alberta economy will be competitive internationally."

"We share a common goal to create pride in Alberta/Canada as a competitive member of the global community, through the cooperation and partnership of all involved."

6. THEME REPORTS — Uncertainties, constraints and opportunities

Following the work on developing a vision for Alberta, recognized leaders in each of the six theme areas set the stage for further work still to be done. They challenged participants to put their ideas and concerns on the table, encouraging an open and honest debate on the constraints, opportunities and uncertainties facing us in the 1990s. Presentations by the six theme speakers can be found in Appendix B.

In the second set of small group discussions that followed, participants built on the presentations of speakers in their theme area, and identified the uncertainties, constraints and opportunities related to developing a new economic strategy for Alberta. Although these discussions took place for each thematic area, it is worth noting that most of the uncertainties and constraints raised by participants were common to all themes. Because these could not readily be identifiable by theme area, they are reported here under more generic categories. On the other hand, opportunities identified by participants related more specifically to the theme areas, and so are reported under each theme heading.

Uncertainties in Developing an Economic Strategy

Participants listed some of the uncertainties Alberta faces over the next decade. There is little opportunity to directly influence some of these uncertainties, whereas others can be influenced. Time must be spent in analyzing these uncertainties to determine the degree to which we can influence them or work around them. Any strategy developed must somehow reflect these unknown factors.

GLOBAL

- International political changes, including revolutions in other countries, can affect how we choose international markets.
- Natural disasters such as earthquakes disrupt the world market and create uncertainty, although they may lead to opportunities.
- International and interprovincial trade barriers can impede access to other markets. There is still uncertainty on GATT, especially for grain.

POLITICAL

- Canada's constitutional uncertainty creates a high-risk image for potential investors in Alberta.
- Subsidies to industries and companies cause a great deal of uncertainty because they distort market signals.

REGULATION

- An unclear and changing regulatory climate is causing uncertainty for business and makes planning difficult.

EDUCATION

- Some participants asked who exactly is the customer of the education system. Is it the student — or the future employer? Do we know what a relevant education is? These uncertainties will need to be clarified before any improvements to education can be made.

FINANCIAL

- How do we put a price on the environment, asked participants. What are the costs, financial and otherwise, imposed by an emission? What are the impacts and what is the risk? Can these be quantified?
- Money markets are very uncertain and make financial planning and investment difficult.
- Commodity prices are also always going to be uncertain. If energy prices rise enough, then can alternative fuels become more economically feasible?
- Interest rates used as a federal fiscal policy instrument increases uncertainty.

BUSINESS

- Alberta's "boom-and-bust" economy creates tremendous uncertainty for the workforce, as well as businesses.
- Science is a "moving target." There is always going to be uncertainty regarding research and development activities.
- What will happen to workers who lose jobs due to new technology? In addition, it is difficult to train people for jobs five years from now, when we don't know what these jobs will be. Can we predict the impact of changing demographics?

> ***"We will always have uncertainties, sometimes less than now, but we can meet those uncertainties if we cooperate and plan properly."***
>
> *— Conference participant*

Constraints in Developing an Economic Strategy

While the same constraints were frequently repeated in all the discussion groups, participants also noted that these constraints could create opportunities if a positive, innovative approach is taken.

TIME HORIZON

A major constraint in developing an economic strategy is the inability of society as a whole to take a long-term view. For example, the time frame for politicians is the next election, while for business people it's the next quarterly report to shareholders and for shareholders it's the next dividend cheque. "Investment decisions are made on a five-year or less payback basis, and political decisions are made with a two to three year perspective." Such attitudes result in a reactive approach to problems, resulting in the inability to seize opportunities, gain competitive advantage and implement massive change when needed.

GOVERNMENT

Many participants pointed out that overlapping regulations and jurisdictions in the different levels of government results in numerous conflicts and inefficiencies; for example, two or three different government departments trying to capture the same type of information. It was also noted that the regulatory burden adds time and additional costs to the development of projects and programs. "There are too many levels of regulation and too many lawyers."

However, this did not mean that participants felt environmental regulation was unnecessary. Rather, they reinforced the need to streamline how environmental protection is legislated and managed, to ensure that environmental goals are met in as cost-effective a manner as possible. This is one of the more obvious examples of a constraint also being an opportunity — in this case, developing a

market-based approach to regulation that sets targets and time frames, but allows business to decide how to meet those targets.

Participants also expressed concern that the "playing field" was not "level" in terms of access to government funding and programs. Indeed, the government was criticized for supporting only "big, glamorous, grandiose projects."

Government was also reproached for having a system that rewards overly cautious behavior, discourages risk-taking and makes change difficult to effect.

BUSINESS

Some groups commented on the deterioration of some of our infrastructure, such as transportation and utilities, and the costs associated with monitoring and maintaining these systems. The boom-and-bust style of economy in Alberta was also noted as a large constraint.

Participants also identified a number of business constraints specifically related to environmental issues. There is a lack of scientific knowledge on environmental problems, such as toxic chemicals and global warming. It's difficult to develop policies and implement programs to deal with these issues without knowing their true impact and the cost of clean-up. Another constraint is the fact that environmental values are not universally shared, making consultative decision-making difficult.

Our inability to apply new technology is also of concern. Many companies lack the capacity to evaluate and use new technology, and Canada's generous tax incentives have not been effective in promoting more research and development. The problem is not so much that we don't undertake research, but that we don't follow this with applying and marketing new technology. This issue is influenced by many other factors as well, such as the relationships among schools, universities and industry, the operation of capital markets and government programs.

FINANCE

Many of the financial constraints identified by participants in all the thematic workshops involve government. Participants stressed the need to balance social programs with economic production. The government's budget deficit — both at the federal and provincial levels — restricts our options, and some tough decisions will be needed. "We must raise taxes or cut spending — or both." However, many participants were optimistic that creative solutions could be found to maintain important programs such as our education and health care systems.

Financial goals will need to be set if we are to compete globally. For example, the European Community has targeted the following goals for its members:

- Inflation no more than 1.5 percent.
- Long-term interest rates no more than two percentage points above the average of the three countries with the lowest rates.
- A budget deficit below three percent of GDP.
- Government debt below 60 percent of GDP.

A general lack of risk capital was also cited as a constraint for future development of new business. Most financial institutions are not equipped to provide venture capital, so often entrepreneurial efforts cannot be taken advantage of.

Money market instability, including the value of the dollar and fluctuating interest rates, was cited as another constraint to encouraging investment in Alberta. The tax structure and the royalty system were also mentioned a number of times — some said taxes are so high that there is no discretionary income to spend on solving problems or attempting new initiatives. Royalties were cited as having a particularly negative impact on the resource sector during these difficult economic times. Others mentioned property taxes on machinery and equipment as being "particularly vicious." Still others urged a tax system that creates a level playing field with the U.S., particularly in the areas of capital cost allowances and corporate taxes. Generally, participants supported a system where revenues could be derived from profit or consumption of goods, rather than placing a financial burden on companies before their product is sold.

A further financial constraint is commodity prices, with agricultural products and oil and gas being especially undervalued, according to some participants. On the other hand, they believed marketing boards create unrealistic, artificial prices.

CONSULTATION

Major concern was also expressed regarding the government's decision-making process. Although Alberta's experience in multi-stakeholder consultation and public participation programs is probably more extensive than in other jurisdictions, some government departments have a good deal more experience than others. Moreover, there are still a number of constraints regarding the consultation process, and opportunities for consultation needs to be extended to all sectors on a more equal and consistent basis.

Some sectors were noteworthy for their lack of multi-stakeholder consultation; for example, the education sector where collaboration between business and educators on a large scale has yet to occur. Polarized views and territorial protection were also considered a large constraint to effecting a more consultative decision-making process. Our political party system and the rivalry between communities such as Edmonton and Calgary are two examples of such polarization. The conflicts that emerge between communities in the spirit of competitiveness are not conducive to success in the global marketplace.

Other participants noted that, as with all things, multi-stakeholder consultation requires trade-offs. Some participants expressed concern that the consultation process resulted in too many players. Others said that consultation takes a long time and delays decision-making — when timeliness is more important than ever before. Still others commented that in a consultation process which allows all to speak, the loudest will be heard more readily. Thus, the consultation process could become overly responsive to vocal minorities or special interest groups. Finally, a major constraint in consultation is that there is often no direct link between the consultation process and decision-making, thus decisions are not always based on consultative input.

EDUCATION

"Our high drop-out rate" was a frequent complaint. Participants cited Alberta's high drop-out rate of 30 percent and the low literacy levels. In general, they believed that our education system is not functioning in tune with the times, and is not providing the scientific and technical skills required for competing in the global marketplace. There is a shortage of knowledgeable workers, and priorities will need to be set in our immigration policies to ensure sufficient immigrants with the needed skills. There is also a common belief that those not going on to post-secondary education are being short-changed, since the trades and technical skills are undervalued in our society.

Participants also complained about the lack of information and understanding on sustainable development and the inter-relationship between environment and the economy. "Kids in school hear the warm, fuzzy stuff, but don't hear the full sustainable development story." In addition, schools fail to promote an understanding of basic economics.

Another constraint related to education is the fact that our educational institutions are not held accountable to stakeholders such as parents, students and employers, don't set target goals, and don't provide sufficient data, statistics or results. In addition, it's difficult to deal with teachers who are not performing well, since termination is difficult. On the other hand, there is little flexibility to provide rewards to good performers, either.

There is also a shortage of business resources in our education system. Business as a whole doesn't appear willing to become involved in education issues but conversely, neither does it feel welcome to participate. While the traditional separation of business and academia may have served us well in the past, a new approach is now needed.

SOCIAL AND ATTITUDINAL CONSTRAINTS

A major constraint considered by many participants was the inability of many organizations, as well as the public, to change. Human nature being what it is, the public is quick to criticize — but has very little motivation to change. We may be constrained by lack of a national vision and visionary leaders who are prepared to take risks, but we are also constrained by our own inertia to change.

Another constraint is linear thinking. Our old mind set keeps us focused on traditional economic planning, which may no longer be relevant in a knowledge-based society. Many institutions are locked into old ways of doing things. Our comfortable lifestyle has blinded us to the rapidly approaching economic realities. One of those realities is the emergence of developing countries which, with their inexpensive labour force, can manufacture many products more cheaply than we can. Shifting to a knowledge-based economy will require more "intellectual capital" than ever before. We will need to be more innovative and creative in developing products and in improving efficiency.

Our society is also constrained by a narrow attitude. Albertans believe that "the sun rises and sets at the Alberta borders." We must look to the rest of Canada for new ideas, as well as Japan and Europe.

A further constraint is society's expectation that government can and will solve all our problems, compounded by the belief of government that it should do so for political reasons.

Other attitudes and policies that require changing include:

- A retirement age of 65 which requires that capable people be removed from the workforce, thereby adding to the costs borne by society;
- The undervaluing of technically trained people;
- Closed-mindedness to other cultures;
- Lack of flexibility in the workforce; and
- Too few rewards for risk-takers.

MEDIA

Many participants noted that the media were too often negative and poorly informed on many important issues. "We hear about the bad things; we don't hear about the good things." Many media stories are presented out of context, without balanced and objective treatment. Too often the focus appears to be on sensationalism and stereotyping. These problems may never be fully solved, however Albertans must compel the media to communicate fully and objectively with the public, holding it accountable for the information it disseminates.

Opportunities in Developing an Economic Strategy

Brainstorming opportunities gave participants the chance to focus on their theme area and put forward ideas for consideration. Given the limited discussion time available at the conference, a thorough evaluation of these ideas was not possible at that time. This evaluation will take place at a later date.

While the opportunities put forward were much more varied than the constraints, there were some elements common to the different theme workshops. Suggested opportunities fell quite clearly into the following categories: business, government, build on existing strengths such as the resource sector, and new approaches, partnerships and attitudes. As well, education in the broadest sense was a recurring common element.

The following is a discussion of the opportunities as organized under the six conference themes.

THE FUTURE OF RESOURCES

Business opportunities

Alberta has a wealth of resources, both natural and human. We are fortunate to have an abundance of natural gas and coal, and our oil sands offer immense potential for development. Our agricultural industry also continues to play a major role in our economy. Our trade access is improving, and we are fortunate to have a large market to the south of us in the United States.

> ***"Resource industries are not sunset industries."***
>
> *— Conference participant*

While conventional oil and gas still have significant potential with a large amount of reserves left, we must continue to promote enhanced oil recovery, using horizontal well technology and steam-assisted gravity drains. There are also crude oil service and drilling opportunities globally, which we can pursue further. Indeed, oil and gas consulting can be a world-wide opportunity.

In petrochemicals, we may be able to increase synergy by locating plants close to each other, as already occurs in the Edmonton-Fort Saskatchewan area. Our forestry sector, a renewable resource, still has room for further development, and our growing expertise in this sector might be exportable to other provinces. Electricity exports are also a possibility.

Our goal must be to create more wealth in the resources sector, which may involve some risk-taking, both financially and politically. There is a need to reduce production costs through research and development, while maintaining quality and environmental sensitivity simultaneously. Industry must further consider diversifying its markets.

> ***"The world continues to require more energy."***
>
> *— Conference participant*

Government opportunities

Participants firmly believed that the complexity of dealing with government must be reduced, and that government should streamline its regulatory processes to a more "one-window" approach. (This comment occurred in most other themes, as well.) Privatization must continue, along with the goal of fewer services being offered by government. The government must address expenditures in health care, education and social services. As well, more services could be delegated to the municipal level. Government must be "better, more efficient, refocused."

Moreover, government must base its policy decisions on economics and on doing "the right thing," even though some companies will fail. The government's role is not to pick "winners" by offering individual companies financial support; rather it is to provide a quality infrastructure that allows companies in the free enterprise system to seek out the best opportunities. And royalties, identified as a major constraint for the energy industry, must be reduced if the province is to achieve its full potential. Some participants suggested offsetting high royalty rates with incentives for research and development or university support.

> ***"We can slingshot ourselves to prosperity by eliminating unnecessary regulatory barriers."***
>
> *— Conference participant*

Build on existing strengths

A frequent message from participants was the need to increase the value-added component of our natural resources, and reduce the focus on exporting only the raw products. We must encourage more industry activity based on processing and fabrication. In the agriculture industry, there is tremendous value-added potential, for example, in beef, barley, peas, lamb and ethanol production. There is also an increasing market for organic products and the possibility of exporting our agricultural technology. Our forestry sector also offers many value-added opportunities, with the manufacture of a myriad of products made from lumber and pulp.

In the energy sector, there are also numerous opportunities to provide value-added benefits. For example, coal, often an overlooked energy form but one that is in abundant supply in Alberta, has the potential to be upgraded. Coal gasification processes, once they are fully commercialized, open up Eastern Europe as a market for this energy technology. With our experience in the energy industry, cogeneration projects offer increasing opportunities, both at home and abroad.

> ***"If you don't continue with your strengths, you will lose opportunities."***
>
> *— Conference participant*

New approaches

There was clear recognition by participants that financial resources are limited. New ways of raising and distributing funds must be considered. For example, we could ensure the cost of consumption of natural resources, such as water is reflected in the price. Those revenues could be applied in other areas where funds are needed, perhaps in encouraging entrepreneurial efforts.

We must also make a commitment to "total quality" in the resources sector, and not overlook the potential quality input from new immigrants and young people.

Participants identified transportation as a large cost factor in the resources sector. "We must seek innovative ways to reduce transportation costs, so that we can better compete in the global marketplace." As mentioned in other theme areas, the resources sector can make great advances by applying new information-age technology.

Partnerships

Better collaboration and cooperation among different levels of government, industry and stakeholders are crucial to our success in the future. Polarization between business and environmental groups must be reduced, and we must all strive toward developing positive working relationships. Likewise, government must participate in a fair and objective manner. Alliances between industry and native groups must be encouraged.

Attitudes and education

Albertans must become stronger "risk-takers," and we must encourage both a stronger entrepreneurial culture and work ethic. Albertans need a better understanding of the economy and the resources sector and its issues. Information on the resources sector could be provided to the school system, to help foster more realistic expectations among the students.

Business opportunities

In Alberta, we are fortunate to have a strong telecommunications and transportation infrastructure which is essential for a new knowledge-based economy. Another key selling factor in promoting development of knowledge-based industries in Alberta is the quality of life we enjoy. Our province offers clean air and water, low crime rates, good schools and health care.

> ***"Use the resources between our ears, as well as those below our feet."***
>
> *— Conference participant*

We must do more research and development in Alberta, and especially focus on the development and commercialization side where we have been lacking. There must be greater emphasis on marketing new technology. We could seek out new technologies developed in other countries and industries and bring them to Canada. This can save a lot of resources — financial, natural and human. We can't expect Alberta to excel in all fields; we must also be selective and look at "niche" marketing in the service industry.

Government opportunities

The government needs to focus fiscal policy to prepare us for a knowledge-based economy in the future. The government must develop programs to encourage Albertans to invest in "wealth-generating" activities. There may be opportunities for government to revamp tax policies so that a larger portion of the tax burden is borne by the wealth-consuming segments of our society, rather than investors. Subsidies that distort market or production opportunities are definitely not appropriate.

Another function of government is to serve as a facilitator for consultative decision-making — to encourage groups to seek out solutions together, rather than taking an adversarial approach to problems.

Build on existing strengths

One of our key strengths as we move toward a knowledge-based economy is our highly educated population in relation to the rest of Canada and the fact that this new sector has been based on our strong resource sector.

The telecommunications industry in Alberta — one of the most technically advanced in the world — will provide the foundation for a knowledge-based economy. A fibre optic network is essential for selling and distributing information and knowledge. Telecommunications in Canada is already a sector of great strength, accounting for 3.8 percent of our GDP. We must continue our work to establish a world-leading, broad-band telecommunications system capable of supporting high-speed computer hook-ups and interactive distance education, as well as various commercial applications.

Telecommunications itself offers enormous potential as a high-tech industry employing thousands of Albertans. Canadian production of telecommunications equipment has increased almost nine percent in the past year — compared to only 0.8 percent in the U.S.

We must also make better use of our raw resources through adding knowledge.

Providing value-added benefit to our natural resources will be an important aspect of Alberta's knowledge-based economy.

> ***"We have to use the telecommunications system like a railroad of 100 years ago."***
>
> *— Conference participant*

New approaches

A new way of thinking is required for us to effectively make the transition to a knowledge-based economy. We need to view our problems as "opportunities" and look for ways to create more wealth. For example, we could identify the ten most serious environmental problems facing the province, such as effluents or tailing ponds, and provide the rewards and incentives for companies and individuals to develop technology to fix these problems. In addition, we currently view our excellent health care system as "wealth-consuming" — a cost to society. However, our considerable expertise in many of the high-tech aspects of health care could be marketed abroad, thus turning health care into a "wealth-creating" activity.

Partnerships

There is enormous potential to use partnerships as a way to take advantage of new and emerging opportunities in research and development. These partnerships could involve universities, businesses and other interested groups. With more alliances and partnerships, we will hopefully create an atmosphere of trust and reduce duplication of work. We should strive to create an open, information-sharing network. On an individual level, partnerships among managers, scientists and marketers, working in teams, will help ensure that new products are developed and marketed efficiently and effectively.

> ***"We need to move from adversarial R&D to collaborative R&D."***
>
> *— Conference participant*

In addition, we need to forge stronger links between schools and the workplace, to ensure that young people entering the workforce have sufficient technical skills in the years ahead. Appropriate role models for children — not just sports heroes — should be identified and a "mentoring" system should be considered.

Attitudes and education

Participants believed that well-educated young people will be a key to our success in the future. We need to inform Albertans about the disadvantages caused by a lack of education, and help them realize that the number of jobs for those with little education will be limited. All Albertans must place a higher value on education and appreciate the importance of the teaching profession. On the other hand, there must be more business involvement in post-secondary education so that schools have access to the latest technology.

> ***"We need a "university of innovation" where we teach people how to adapt."***
>
> *— Conference participant*

With increasing emphasis on research and development, we will also need to educate pension fund managers to sensitize them to the opportunities in developing intellectual property, and to place more value on companies that undertake R&D.

TRAINING, EDUCATION AND LIFELONG LEARNING

Business opportunities

It's clear that a well-educated workforce will be our foundation for success in the future. Education must be viewed as an opportunity and a necessity — not just a cost. Participants communicated this message loud and clear. Indeed, an investment in education can have an indirect payback in reduced crime and poverty, both of which are costs to society. Business will need to invest in training for employees in order to remain competitive in the global marketplace. Labour unions, as well, must encourage and support ongoing training and retraining for workers.

> ***"There should be a recognition that welding is as valuable a profession as law or medicine."***
>
> *— Conference participant*

How should our education system change to meet the new demands of a knowledge-based economy? Participants believed that we must give students, especially women, more encouragement and opportunities to enter trade and vocational programs. We should also develop different career paths in high school to help address the drop-out rate and to improve the school-to-work transition. The apprenticeship system should be overhauled to create strong incentives for early entry and a broader range of apprentice-oriented vocations. And new and expanded delivery techniques must be developed to provide alternative education, flexible hours for independent learners, free up teachers to work with more students, and reach rural students and businesses.

Government opportunities

Most groups commented on the need to "do more with less." Government must avoid providing duplicate services. It must also evaluate its programs to determine whether they are fair, fit in with priorities, and are best provided by the public or private sector. There is also a need to think creatively in raising funds for needed programs; for example, it was suggested that more UIC funds could be used for training purposes.

> ***"Government should just get out of the business of funding businesses, and, looking to the future, concentrate on providing the necessary infrastructure such as education."***
>
> *— Conference participant*

It was suggested that government should consolidate some of its education programs under one administrative structure in order to provide a more integrated approach and reduce costs.

In addition, legislation affecting educational institutions must be reviewed with the possibility of developing a voucher or tax credit system for students. "We need modular, flexible programs, where students can move around." For business, government might want to consider a training tax that would be rebated if employers invested in training programs.

Participants firmly believed that **all** stakeholders must be involved in addressing education issues. For example, adults from special groups, such as immigrants and Natives, need to be more involved in addressing the special educational needs of their children.

> ***"Re-involve the public in the public school system."***
>
> *— Conference participant*

Build on existing strengths

Albertans are some of the most well-educated people in Canada, with numerous engineers, scientists and technicians. The Alberta education system is one of the best in the country and provides a great deal of flexibility for students. In addition, there are many opportunities for Albertans to complete their education. However, transferability between colleges, technical institutes and universities could be improved further.

Based on the notion that educational institutions cannot be all things to all people, "centers of excellence" could be created. For example, perhaps only one agricultural college is needed in Western Canada. Such an approach would allow us to focus on what our province does best, but at the same time it might also mean supporting institutions in other provinces.

New approaches

Technology can help us do more with less in the education sector. We need to invest in new educational tools. These would allow us to explore the possibility of using technology to help create more free time for teachers to spend with students. Technology would also enhance the potential for linkages by giving teachers more time to work with other sectors such as business. Course availability could also be expanded through the use of educational technology, which would be especially helpful in rural areas. Technology, through fibre optics, perhaps, could also link urban and rural schools and help expand the range of programs offered and the quality of teaching.

Partnerships

If businesses could do their planning in conjunction with government, then longer-term views would result — along with more training. There should also be more partnerships between businesses and schools, with businesses providing related work experience for students. Post-secondary institutions might want to consider partnerships with trade and professional associations.

Adopt-a-School programs by businesses were considered a useful way for business to become more involved in education.

> ***"One thing we suffer from is the graduation ceremony. Education, instead, should be a passport."***
>
> *— Conference participant*

Attitudes and education

Lifelong learning is a value that must be instilled in students and adults alike. To facilitate such learning, we could create multiple re-entry points to provide easy access to education throughout people's lives.

Among other attitudes and qualities, we should be encouraging students to develop an ability to think independently. In addition, we must foster self-esteem in students in order for them to achieve.

> ***"Students need to hear more optimism about the future and know the opportunities are here — they need to be more positively informed. Students aren't motivated to stay in Alberta now; they just hear bad news."***
>
> *— Conference participant*

Educators must be able to link the theoretical with the practical — there should be more concrete support for instructors and learners, such as partnerships and cooperative education. The Conference Board of Canada's employability skills profile could be incorporated into the school curriculum. Others suggested creating a balance between technical and interpersonal skills, and adding economics and business skills to the curriculum.

COMPETING IN A GLOBAL ECONOMY

Business opportunities

Competing in the global economy will be necessary if we want to create the wealth and prosperity needed to meet our society's expectations. Alberta has many advantages that will help us compete in the global marketplace. Our proximity to large U.S. markets, Central and South America and the Pacific Rim is a strong advantage. Our acknowledged quality of life also has the potential to attract new industry and employees.

> ***"Being globally competitive doesn't mean just exporting. You may be competing with foreign firms right here in the Alberta market."***
>
> *— Conference participant*

On the other hand, to be able to compete internationally, a number of issues must be addressed. We need to work at managing risk, as well as gaining a better understanding of the cultures of our export markets. And cost **does** matter. We need to focus on making our businesses more efficient and strive to be a low-cost producer.

Government opportunities

Government must provide a climate in which the private sector can create the wealth that will allow us to achieve our vision. That may include upgrading our transportation system to gain better access to export markets. In addition, streamlining government regulations is essential.

> ***"I would like to see programs that help small business progress, or at least not impede small business development."***
>
> *— Conference participant*

Participants were insistent that government act more as a "facilitator," providing counseling and advice, and as an "intelligence gatherer," collecting statistical information that will help businesses gain a competitive advantage. Governments at all levels must work together to reduce spending, trade barriers and conflicting regulations. They must also increase market access and support research and development. Governments should eliminate universality for some programs and seek ways to integrate new immigrants quickly into our society.

Build on existing strengths

Alberta's key strengths right now are its people, its primary resources and its existing infrastructure. Our resource base provides us with many opportunities to upgrade. We must build upon our strengths in tourism, agriculture, energy and forestry, and find innovative uses for commodities in a knowledge-based economy. In addition, we have begun to develop new hi-tech industries, from radar mapping to medical technology, and these must be further nurtured.

Alberta has substantial numbers of skilled immigrants. Our multi-ethnic population should be tapped as a source of new ideas. Also Canada has achieved a superb international reputation, one on which we can build.

> ***"Total quality management is the way to go for all of our institutions."***
>
> *— Conference participant*

New approaches

We need to foster new, better, smarter, and more imaginative approaches, and be creative in providing value-added benefits to our products. This was a frequent comment from participants. A stronger research and scientific base is needed with more emphasis placed on marketing new technologies and processes.

We should view existing problems and constraints in other countries as opportunities for us. We also have the opportunity to search the world for models for our restructured businesses.

We must capitalize on our numerous high-quality research institutions and retain our current world-renowned technical expertise. Our acknowledged quality of life advantage has the potential to draw new producers and workers.

Partnerships

One of the key ways to find solutions in all areas is through partnerships. The need to be competitive provides us with an opportunity to change our research and education activities to a partnership mode. The principle of strategic alliances must be extended to the research area, where it is especially needed to maximize benefits and reduce costs. As participants in other theme areas suggested, more strategic alliances and partnerships among government, industry and other stakeholders will be essential if we hope to compete in the global economy.

ENVIRONMENT AND SUSTAINABLE DEVELOPMENT

Business opportunities

Our expertise in environmental technologies creates many business opportunities, most groups noted. Some possible opportunities might be to market technology that allows natural gas to be used as a vehicle fuel, export our waste technologies and system management using waste as fuel, and market our know-how in applying sulphur reduction technology. The latter would have the added benefit of reducing global emissions.

> ***"Environmental technologies are critical for our continued success in Alberta."***
>
> *— Conference participant*

Delegates confirmed the importance of conservation and the protection of our natural resources as a fundamental principle for our society. This leads to two kinds of opportunities. One is to develop an economy that is compatible with environmental protection, for example, through new sectors such as ecotourism and increased emphasis on energy efficiency. The other is to develop a system of environmental management that puts the emphasis on pollution prevention rather than pollution control, for example, through the use of market forces. This would result in minimizing waste at the source and promoting efficiency of use.

Government opportunities

Many groups believed that there must be better ways to organize government to meet the needs of the province. Government must be redefined using a consultative process.

Streamlining and improving Alberta's environmental approval processes are badly needed. Realistic and expeditious time frames must be incorporated. The government is also urged to develop a regulatory process that includes strong stakeholder representation. In addition, there needs to be a more level playing field for all participants. New dispute settlement mechanisms, such as mediation, are required. Above all, the government must realize that "empowerment" — the 90s buzzword — means "giving the power away."

Some participants stated that incentives for business may be needed to ensure sustainable development. Others suggested that government must get out of the "grants-for-business" game. Businesses or end-use consumers could pay a tax for using the environment. Such revenues could then help pay for environmental programs, but should not contribute to general revenues.

The government was also encouraged to make use of the market to protect the environment through the use of economic instruments, wherever possible. Such instruments make the cost of using the environment an economic activity part of the day-to-day decisions of business. A system such as "tradeable permits" would allow industry to reach environmental goals at the lowest possible cost.

Build on existing strengths

Our existing industries, for example the resource sectors, can provide many business opportunities as we continue to improve our environmental processes. Expertise in these areas can be exported internationally, such as in waste management, zero-effluent pulp mills, recycling industries, oil and gas pollution control technology, ecotourism and plastic manufacturing. Our reclamation capability is also first class and we can develop more value-added products, for example in agriculture, by processing them in a more environmentally friendly manner than is done elsewhere. In addition, we have skills in water resource protection, for example, municipal wastewater treatment.

Our human resources are also marketable. We are years ahead of other provinces in multi-stakeholder consensus building, and we can export this expertise to developing countries. We have employees who are highly trained in the management of hazardous waste — that training can be also be marketed

internationally. Another way to promote further global market opportunities might be to provide advanced environmental education for foreign students.

We must also encourage the development of renewable resources such as forestry and agriculture in a sustainable manner.

A world-class tourism industry, founded on our abundant and unique natural environment, can also play a broader role in attracting investment to Alberta. In addition, a strong, environmentally sensitive tourism industry can help keep Albertans in the province by providing opportunities for employment, especially in rural areas.

New approaches

A recurring principle stated by participants in this and other theme areas was the need to encourage a society where innovation flourishes. We must take advantage of knowledge-based industries to support our environmental efforts. Information technologies, such as mapping, geographical information systems and other computer programs, can be marketed internationally. The consulting engineering industry is purely knowledge-based, and is believed to generate in excess of $1.4 billion a year. These skills can be further promoted internationally.

If we think innovatively, even our waste products can create business opportunities. Suggestions included seeking markets to purchase wastes such as sewer effluent, to develop methods for using wastes as fuel, and to develop new uses for sulphur and other byproducts.

We must also raise our profile as a world leader in environmental protection and management. We could attract major environmental conferences in Alberta such as "northern climate" conferences. We could encourage environmental topics to be put on the agenda for other meetings. We must also push for international recognition of our environmental technology and expertise.

Partnerships

Participants confirmed the need to promote partnerships and alliances, both within our province and with other provinces and countries, to help achieve sustainable development.

We must work together to develop overall goals. However, it is more important to begin working toward achieving better integration of the environment and economy and allow for "mid-course corrections," than to debate whether such integration is feasible. More collaboration must take place among companies, especially in research and development, so that we can get "the biggest bang for the buck."

Attitudes and education

Participants felt strongly that the public, as well as students, need to be better educated and informed about environmental issues and the subtleties of sustainable development. Students could be given more exposure to environmental issues through summer employment, for example, working for companies noted for their environmental management practices.

In addition, a change of attitude is required for a number of businesses and society as a whole. Environmental quality must be viewed as an opportunity rather than a cost. As a country, Japan has made a 25-year commitment to environmental protection. They feel this commitment will give them a competitive advantage.

"Let's communicate our success stories" was a frequent message from participants. Albertans are good at adapting to change; we need to continue to encourage more flexibility and responsiveness to meet our environmental goals.

COMMUNITY-BASED ECONOMIC DEVELOPMENT

Business opportunities

The potential for increasing community-based development is very promising. Notwithstanding the criticism voiced in other theme groups, community participants believed that Alberta has a relatively good transportation system and infrastructure. As was also noted in a number of other themes, we have the necessary assets to sustain a society; for example, enough space, clean air and an abundance of natural resources. Alberta is also a safe place to live, with a high quality of life. We are also part of Canada, which has an excellent international reputation.

In many of our smaller communities, there is tremendous potential for immigration. Many of these communities are shrinking, and there may be a larger role to play for regional centres as a way to eliminate duplication of services. One frequent comment was the need for communities to "develop a specialty" to distinguish themselves from other communities and create unique programs and activities.

> ***"We need to approach everything we do in a entrepreneurial way."***
>
> *— Conference participant*

Government opportunities

Defining the role of government can be a tremendous opportunity. Most participants believed that the provincial government must reassess its goals, objectives and needs in order to develop a more cost-effective and meaningful infrastructure. The government's major role with regard to community-based development should be to act as a "backstop" — an information broker — to help communities help themselves.

Another important function for the government would be to expand its marketing and salesmanship of the province. The government should also explore mechanisms that allow capital to be raised at the local level; for example, municipal bonds for economic development. Government can also play a role in allowing us to take maximum advantage of our multi-cultural heritage.

Build on existing strengths

Albertans have a spirit of entrepreneurship that is stronger than in many other places. The diversification of our primary industries — forestry, energy and agriculture — provides a strong foundation for creating new enterprises. Revitalizing our existing industries is just as important as trying to attract new ones, commented a number of participants.

Our tourism assets can be developed at all levels. Ecotourism does not normally attract the "big spenders", but can attract large numbers of people. "Many little things can be done."

We also have a large, skilled labor force that can be retrained, and a strong volunteer sector which can be used further.

New approaches

We must consider our geographic location and which markets are close to us — that may mean changing our view of traditional Alberta markets. If we think innovatively, we could also promote more home-based businesses to allow Albertans to live and work in smaller communities.

Partnerships

Partnerships will play a key role in community-based economic development. Partnerships must include business, governments, municipalities and Aboriginal communities. We should explore the possibility of joint ventures with Aboriginal communities.

Attitudes and education

Participants believed that ongoing communication was most important, and that the discussions at the conference and other government initiatives must continue. "Albertans — both urban and rural — need to understand each other's need and contributions."

> ***"Let's build enthusiasm for the future."***
>
> *— Conference participant*

We must also encourage enthusiasm among Albertans, especially young people, and strengthen pride in ourselves and our country. Our cultural industries can help us build a stronger identity and more pride. Some groups suggested taking advantage of communication sources such as community cable TV to get some of these messages out to Albertans.

Another need identified, especially at the community level, was the need to educate young people in the skills they require to be entrepreneurs, rather than employees. Indeed, education should be the passport to enable our young people to live prosperous, satisfying lives.

7. RECOMMENDATIONS – Options and Choices for Action

With only two days at the conference, participants were not able to propose goals and objectives, which is the third major step in developing a strategy. In the third and final set of workshops, participants were asked to consider long- and short-term action plans.

Short-term was generally defined as being a five-year time frame, while long-term was anything beyond that. The ideas put forward by participants were not prioritized in any way. There was also no distinction made between what was mandatory and what was desirable. However, the ideas put forward at the conference present a wide range of opportunities for further development in the future.

During their discussions, participants also commented on the Toward 2000 Together process. They recommended that the process of consultation continue, with further discussions and more conferences in the future. "It must be a dynamic, continuous process," they said. Government must truly share the power, and implement goals and action plans that are tied to measurable results. They urged the government to report back within one year on the status of the recommendations.

It should be noted that the following recommendations do not constitute the conclusions for the conference or an action plan, they are simply the suggestions put forward by a number of individuals or groups. This "shopping list" needs to be analysed, evaluated and prioritized, before an action plan can be developed. Conflicting suggestions need to be tested against each other. Readers should note that some of the suggestions conflict with each other, or are based on assumptions that may or may not be accurate.

THE FUTURE OF RESOURCES

Government

- Develop a **national infrastructure** in fabrication, manufacturing and resources.
- **Eliminate the provincial and national budget deficits** — they have a negative impact on our international competitiveness.
- **Reduce** Cabinet by 30 percent, government by 50 percent (radical reduction) to improve efficiency and reduce costs.
- Revise the **tax structure** to ensure it does not hinder companies from competing internationally. Consider **eliminating the corporate tax department** (Quebec and Ontario the only other provinces with one).
- Government must be subject to the **same environmental rules** as business. Environmental standards need to **cross all boundaries**. Apply a **one-window approach** to regulation, such as provided by the ERCB and NRCB, to transportation, agriculture and other industries.
- Consider **legislated sabbaticals** for workers to go back to school to upgrade their skills — or consider a system of tax credits for individuals or companies to promote/offer training.

Business

- Further develop the **oil sands** — explore technology, recovery and use of byproducts. Develop the **enhanced recovery** of oil and gas.
- Develop a **performance evaluation** system that treats employees fairly.
- Invest more in **R&D** for value-added products, and focus on marketing new technology.

Education

- A better coordinated, more **efficient education system** is needed — be clear about the differences between education and training. Eliminate duplication of education services.
- Consider a **merit-based system** for teachers.
- **More women** must be encouraged and given opportunities to enter engineering, sciences and vocational training.
- More focus is needed on **vocational and trades training**. Add value to this training by including business and entrepreneurial courses.
- Encourage more **business people** in the classroom to act as lecturers. Teachers need a better appreciation of business.
- Encourage more **basic and applied research** at universities.

Society

- People have the **right to work**; promote voluntary association
- Foster **dialogue** between scientists and managers to enhance the application of new technologies and processes.
- Encourage individuals to take **responsibility** for their own education.

Short-term actions

- Revise the **royalty** system — it must be simple, competitive and based on net income.
- Government should **inform the public** of where government spending goes. And the public should be informed of costs associated with the services they receive.
- Business must also provide **more information to the public**, emphasizing the global nature of issues that influence the industry.
- Government should develop a **tourism policy** statement.
- Educators need to place more emphasis on **math and science** as core subjects.
- Business and government must link **economic and environmental** considerations. And leadership in **environmental** management must be maintained.
- **Government should not give grants** to industry, including loan guarantees. Businesses should succeed or fail on their own merits.
- A **declaration** by government that economic growth depends on resources is needed.

Government

- Government must **withdraw from its involvement in the private sector**.
- Set up an infrastructure to promote more **R&D** in new technology.
- Provide **incentives** for businesses to invest in training, perhaps lower UIC contributions based on training expenditures. An **Education Compensation Board,** to which all businesses contribute for training benefits, could also be considered.
- Give tax credits to firms that hire **university researchers**.
- Set up a **foundation for science and technology** similar to the Medical Heritage Trust Fund Foundation.
- Restructure tax/regulations to encourage **competitiveness** — remove blocks.
- Government should use **private sector products and services,** rather than maintaining their own. Only provide **essential services** — increase efficiency of delivery.
- Make **upgrading and resources attractive** for resource sector.
- Make **benefits and pension programs** portable to help skilled workers transfer to other companies more easily.

Business

- Labour must be an equal partner with business. Get rid of the labour/management **adversarial** system.
- Employers and workers should **set goals** for the hours and expenditures needed for training; for example, 10 percent of work hours could be put aside for training.

Education

- Institutions could be compensated, based on the number of graduates, to reduce the drop-out rate.
- Businesses and educators must **talk in-depth,** to promote more collaboration and strategic alliances.
- The school year or day **should be lengthened** to improve the quality of education received by students.
- More tools like **Access TV** should be used to educate — use interactive TV. Using information technologies will reach more students and create more time for teachers to create new learning opportunities.
- Use part-time **teachers from business** to reduce teachers' workload and provide a different perspective.
- **More hands-on** learning for students is needed, with individualized instruction — promote **basic skills** as well as teaching information skills. Improve the quality of **science teaching,** perhaps rewarding schools for **good science programs.**

Society

- **"Career counselors"** are needed for all parts of life.
- Use **referenda for public consultation to assist in decision-making by government;**. Use Access Network to disseminate information, and people can vote through phone lines.
- Develop a culture for individual **risk-taking**.
- Communicate that it's okay to **move in and out** of the workforce to train and upgrade skills.

Short-term actions

- Educators and businesses must work together to develop an **inventory** of skills needed for the future.
- Government must separate the necessary from the desirable and **control spending**.
- Government must support development of **regional telecommunications** networks.
- Government must put **sunset clauses** on all regulations.

TRAINING, EDUCATION AND LIFELONG LEARNING

Government

- Work together with business and education sectors to reduce the number of people on **social assistance**.
- **Consolidate government services** and bureaucracy and reduce duplication.

Business

- **More on-the-job training** must be encouraged.
- **Make employment of students** a more valuable learning experience.
- **Communicate** practical needs to educators.
- Provide opportunities for **vocational students** to practice using equipment in an industry setting.

Partnerships

- More partnerships among all stakeholders are needed to help **improve** our education system and to **reduce** costs.
- **Partnerships between businesses and educators** can help provide "real world" technical skills and foster more positive attitudes toward the work environment.
- Encourage **partnerships**, networking and collaboration **between colleges and universities**, and **between school districts** and school boards.

Education

- Review the **role of the ATA** and how power and responsibility are allocated in the education system.
- Consideration should be given to **decentralizing** many aspects of the education system, including curriculum control, tuition and budgets.
- Educators must have a stronger **client** focus and move toward a more market-driven curriculum system; there may be an increased role for private schools.
- Apprenticeship programs should **not be dead ends** — they should be seen as career paths to further learning opportunities.
- Give recognition to **informal learning** experiences and work experience.
- Provide more encouragement for teachers to enhance their own **lifelong learning** process.
- Encourage more **cultural exchanges** for students and teachers.
- Create learning **centres of excellence for post-secondary institutions,** and promote specialization to eliminate duplication.
- Support innovative, non-traditional **"without walls" schools**, including commuter classrooms.

Society

- Encourage a shift in attitude to a culture of **lifelong learning**.
- Publicize **successful partnerships** to the public.
- **Involve parents** and change parental attitudes toward a new style of education system.
- In smaller communities, **integrate all learning facilities under one roof**; for example, library, schools, career development and labour market information centres.

Short-term actions

- **Reallocate funding;** for example UIC, to training.
- Improve **transferability** between institutions and enhance access to education for all Albertans, especially new immigrants, minorities and Natives.
- Take steps to improve the **recognition of technical and vocational** education. The value of technical training must be enhanced, perhaps through scholarships and other forms of recognition.
- More emphasis is needed on **solid basic core** skills — review and upgrade **standards. There** should be a stronger focus on **competency-based** learning. Increase **business awareness** among students.
- All education institutions should offer **year-round learning** — weekend and evening courses. Individuals must be encouraged to spend more time on learning.
- Establish **labour market training** information services.
- Each of us must take responsibility to make **one partnership** happen.

Government

- Government must demonstrate fiscal responsibility and a **balanced budget**.
- **Downsize government** — the number of ministries could be reduced by one-third. Reduce the number of civil servants to a similar proportion of the population base as the rest of Canada (e.g., 16 civil servants per 1000 population). Government must take on more of a role as **facilitator.**
- **Revise tax policy** to encourage investment in education/training, R&D, innovation and environmental protection. Consumption should be taxed, not productivity. Consider tax credits to encourage and reward management development.
- **Review regulatory** agencies and all regulations and test them for their impact on competitiveness. Remove duplication. Have sunset clauses on all regulations. Coordinate activities to eliminate jurisdictional overlap. Government must work with the scientific and business communities to create appropriate and effective **environmental legislation**.
- Review and act on **domestic subsidies** (get rid of them). **Deregulate freight** rates and remove freight subsidies.
- Establish a **freedom of information** act to promote open government. Such an act must be meaningful and "have teeth."
- Alberta should take over responsibility for the selection and settlement of **immigrants.**

Business

- More cooperation between labour and management is needed in **addressing labour issues**.
- Business should become more involved in the **education** system.
- No resources should be exported without a **value-added** component.
- There should be a bottom-up **re-evaluation of competitive strategies** in each sector, with government acting as facilitator.
- Promote **exchanges with other countries that have positive labour-management relations**.
- Companies should become **more responsible to employees**, similar to Japan.

Education

- Ensure entrepreneurial skills are a strong part of the curriculum. Teach students the **realities of the workplace/job market**. Increase the perceived status and value of skills in the **trades** and technology areas.
- Achieve **equity in funding** for schools. **Promote matching funding** for post-secondary institutions.
- **Early intervention** must be pursued to address the needs of disadvantaged students. Develop a mechanism to ensure **ethnic and disabled groups have access** to education.
- Expand **stakeholder participation** in education.

Society

- Make the use of **health care services a taxable** benefit.
- Bring the **"disadvantaged"** into the process of policy deliberation.

Short-term actions

- Establish an **industry/labour/government/education forum or round table** on competitiveness.
- Expand **cooperative education** programs.
- **Educate Albertans** about the issues associated with the global economy and global competition.
- Government can take a proactive role to **make contacts in global markets**, deal with trade practices, and help business identify market niches and opportunities.
- Government must aggressively pursue policy and legislation development to help overcome **federal and provincial transportation issues**, help the shippers.
- Government must **eliminate funding to individual companies — don't pick "winners."**
- Encourage chambers of commerce, business and labour associations to emphasize and **foster modern management skills**.

Government

Improve the current decision-making model by:

- Considering environmental and economic factors in an integrated way;
- Developing a regulatory and approval system that is streamlined, without jurisdictional overlap, and consistent across all levels of government. The process should be practical and not a cost burden;
- Improving interdepartmental coordination, by taking a more holistic view; and
- Ensuring the process is more consultative/collaborative.

Ensure environmental protection with least cost by:

- Establishing a user-pay system or implement charges for using the environment, and use that money to fund environmental programs;
- Moving toward full cost pricing and life-cycle management of resources; and
- Engaging the market in environmental protection through the use of economic instruments, rather than solely relying on "command and control" policies.

Change the role of government and its size by:

- Shifting the role of government toward facilitating and enabling, rather than intervening;
- Eliminating loan guarantees and support for individual companies;
- Reducing bureaucracy through streamlining and privatization — involve stakeholders in streamlining bureaucracy;
- Delegating the development of options for sustainable development to the Alberta Round Table on Environment and Economy;
- Replacing universal social programs with a negative income tax system based on means testing; and
- Reducing the cost to business of gathering environmental data by having government collect, collate and provide baseline data.

Business

- **Develop economic activities** that are consistent with protecting Alberta's environment by:
- Concentrating on sustainability, not only of the resource, but also of the environment overall; and support the endangered species program of the World Wildlife Fund;
- Developing **economic opportunities** based on Alberta's areas of expertise, technologies and know-how in environmental management.
- Undertaking **more research** on alternative, i.e., non-fossil, fuel development; and
- Developing an infrastructure to improve export potential, e.g., trade negotiations completed by government, developing an inventory of technologies, expanding contacts and relationships, and participating in international conferences.

Education

- Educators **must inform themselves** on economic and environmental interaction and pass that information along to students.
- Consider a **Premier's conference on learning**.
- The education system must be **overhauled** — review curriculum, teacher training. The system must provide for needs, not wants, and maintain high standards.
- Provide more **degree granting** opportunities at regional colleges.

Society

- Get buy-in and **commitment from the public** on the Vision, so that they understand the need for action.
- Support **environmentally friendly** options.

Short-term actions

- **Get consensus/commitment** on a Vision for Alberta, including its economy. **Communicate shared vision to the public.** Establish measurable goals. Set targets for energy efficiency and reward those who meet them.
- Promote **tourism, knowledge-based and resource** industries with a focus on sustainability.
- Government must get the **deficit** under control and make some hard decisions. There is a need to streamline/change/reduce the role of government.
- Government must maintain the existing transportation infrastructure and not allow it to deteriorate further.
- Develop new processes to **encourage risk capital** in Alberta — lobby the federal government to eliminate capital gains tax. The tax system must be made more attractive.
- Shift toward the use of **market forces** in protecting our environment. Government might consider a **pilot project** using economic instruments.
- Industry must **clean up** abandoned facilities.

COMMUNITY-BASED DEVELOPMENT

Government

- **Transfer more accountability** and responsibility down to local municipalities. Municipalities must work together with **local organizations**. Some municipalities could **be a role model** or mentor to others to foster change.
- **All levels of government** must fully evaluate and **assess** the needs and efficiencies of programs and services to determine what is needed and who should do it. Ensure that government provides **only essential services — downsize** and cut red tape.
- Complete the **review of the tax regime**.
- **Reduce barriers** to business growth, e.g. taxation, and increase marketing information available to business.

Business

- The business community must take additional responsibility and a **stronger role in community affairs** such as immigration, training, education and social services.
- Encourage **regional cooperation.**

Education

- Develop a **broader apprenticeship** program and develop programs to train entrepreneurs — programs should start at the junior high level.
- Help young people to become **more entrepreneurial** in their thinking.
- It is a community responsibility to **educate youth about the role of business** and its contributions to the community. Take more advantage of "adopt-a-student." mentoring, cooperative education and junior achievement programs.

Society

- Encourage a **positive attitude** in Albertans about what a great place Alberta is.
- Organize **more conferences** like Toward 2000 Together.
- Make more use of volunteers and the expertise of retirees.
- **Involve students and seniors** in the community.

Short-term actions

- Educate the public on the **Toward 2000 Together** process and results.
- Government must clearly **articulate an implementation strategy** as soon as possible.
- Educate the public about what **economic development means** and what it requires. The public must also be educated about the **real costs** associated with programs such as health care.
- Get the **public involved** through town hall meetings. Consider "electronic" meetings.
- Chambers, councils and boards must network. Establish an "Ambassador Network of Alberta."
- Develop **community corporate plans.**
- **Reduce government spending** — consider zero-based budgeting.
- Encourage **Native communities to participate** in economic development programs. Native communities should be treated as municipalities.
- **Amalgamate levels and departments** of governments, boards and agencies to avoid duplication.
- Put a **sunset clause for review** on all regulations.
- Develop **community-based financing** schemes, e.g., venture capital, community bonds and low interest loans.
- **Extend degree-granting status** to community colleges.

8. APPENDIX A

Remarks from The Honourable D. Getty
to the Opening Plenary A1

Remarks from The Honourable D. Getty
to the Closing Plenary A4

Remarks from The Honourable P. Elzinga
to the Opening Plenary A6

Remarks from The Honourable R. Orman
to the Opening Plenary A10

Remarks from Dr. Don Simpson,
Vice-President and Director, The Banff Centre for Management
to the Opening Plenary A12

Remarks from Ms. Roberta Barker,
Student, Western Canada High School,
to the Opening Plenary A16

Opening Remarks from The Honourable Don Getty, Premier of Alberta

Mr. Moderator, cabinet colleagues, Members of the Legislative Assembly of Alberta, special guests, ladies and gentlemen:

It is a real pleasure for me to be here with all of you today. It is good to be able to welcome you to this conference on Alberta's economic future.

It's an important event. As I prepared for the conference and went through the conference material, I could sense the commitment to this process and the surge of ideas and visions that would be developing out of it.

It is easy to get excited about the conference. But of course we can never approach this kind of event with unrealistic expectations.

Despite this, I can feel the potential for this conference to be a milestone. Gathered here is a group of Albertans, representing the varied interests of many other Albertans, who have come together to take a measure of our province — and give impetus to a whole new economic thinking and future for Alberta.

As we saw on the video, we have significant options to consider, and important choices to make, as we prepare for the twenty-first century. The range of options is an indicator of the tremendous potential of our province and our people.

As you know, Toward 2000 Together began last August with an invitation to people from all walks of life to explore ideas together, and to help shape an economic strategy for the province. The concept was new and bold — it was yours, not ours.

The response was more than anyone could have anticipated — overwhelming in fact, particularly when you consider the caution many people feel about expressing themselves on complex economic matters.

By the end of March, we had distributed 20,000 information packages to Albertans. And in the past year, we heard from 3,500 individuals and groups who returned questionnaires, made presentations at regional forums, submitted formal briefs, held their own Toward 2000 Together workshops, or attended round tables sponsored by The Banff Centre for Management.

Their comments have been recorded and provided in the two summary documents you received in the pre-conference package. The responses were as varied as Albertans themselves — and that is one of the most rewarding parts of the whole process.

But there also were common threads.

Respondents reaffirmed the underlying values on which an economic strategy must be based — values that will be shared by most of us here.

Most people placed a great deal of importance on building our society around stable families and communities.

They believed that the educational system and training is critical to our future economic and social success.

We did hear reaffirmation from large numbers of Albertans in support of free enterprise.

They want to see personal initiative and self reliance as foundations in the way we build Alberta.

But they also want to see new cooperation between the stakeholders.

And, they want to be very sensitive to the government's continuing and changing role.

The input, to date, clearly helps in developing our new economic strategy. But it needs to be taken to the next stages — and that is where your participation in the next two days will be extremely important.

In a sense, you are being asked to stretch your minds and take us to a whole new level of thinking — to not just ask the tough questions, but to respond with the options and choices.

Why is it so important now to develop a new strategy?

There are a good number of reasons. Most of us in this room understand them, but let me quickly give you my reasons.

We have had some stark realities to face in Alberta, in both our agricultural and petroleum sectors. We've felt the effects of a harsh North American recession.

Fortunately, we have had successes in diversifying the economy — more value-added industries like petrochemicals and food processing, new industries in advanced technology and manufacturing, and dramatic new developments in forestry and tourism.

But we've had undeniable setbacks, which we also know well. We're not alone in having setbacks, but that is of no great comfort.

There is a reshaping of economies all over the world — and in the process there are those who benefit and those who are hurt.

Trade relationships are being revolutionized. There are also the challenges of the environment, because we know more now than we ever knew before.

And then there is the total transformation of the political landscape in the Eastern bloc and other parts of the world.

Of course, we have our own uncertainties in Canada. Governments everywhere are facing or going through a huge organizational overhaul. It really comes down to a simple but amazingly powerful word — change.

We have all experienced it.

Walls come down, statues fall, mighty nations come apart, scientists reach toward the frontiers of the mysteries of space and even life itself.

Knowledge and information explodes.

Every generation faces change, but we have seen a dimension of change — a pace of change as never before in our history. And so, yes, it is absolutely the time to examine our past assumptions — to look at how we can benefit from change, rather than being fearful of it.

It is a time to define how we can shape our change — and not be totally vulnerable to the decisions of others. To understand that as we deal with change, it can never be risk-free, or else we will only be standing still.

There is an unmistakable message that is sweeping the world in the 1990s. People want to contribute, and governments must listen. We know that governments don't have all the answers. We need creative input from people in all walks of life — because any economic strategy will have far-reaching effects.

This conference must be more than just another opportunity to express ideas and concerns. There will come a time when input must not just be heard. It will need to be coalesced, and choices and conclusions will then start to take shape.

Our government is committed to listening to the views of Albertans — but reasonably enough, there must then be action taken.

Where will we go from here?

I believe your input and guidance must not stop. I would like to establish some way where a multi-stakeholder group that represents all of you could continue to help us with our economic visions, and strategies and options.

We don't want to go away and then report back. We want you traveling this journey with us as we make our choices. We know the final decisions are on us to make, but the options must be developed together.

So as delegates, you have a tremendous challenge ahead of you in the next two days. Shortly, you will be hearing about the task in more detail. But in sum, we are asking no less of you than to join with us, in an unprecedented alliance of all stakeholders, to help create a new economic future for Alberta.

As you work, I and other elected representatives will be watching and listening to your exchanges.

MLAs of every political affiliation were invited — we wanted to underline the degree to which we see this meeting as one that will act in the interests of all Albertans.

I would like to conclude by issuing a specific challenge to you. During the public consultation process on Toward 2000 Together, we heard Albertans question whether it would be possible to maintain their quality of life in the future. In fact, half of those responding to the questionnaire believed that they would be worse off in 10 years compared to now. It's not totally surprising, because there is a degree of dissatisfaction and pessimism all over Canada and North America these days.

Yet I still find it troubling that so many Albertans would feel this way. And therefore, the challenge for this conference is not just to help in defining a new economic vision for Alberta — a difficult enough task in itself. The vision must be grounded enough and credible enough — yet on the other hand bold enough and compelling enough — that it can be taken back to Albertans with this message:

> From here we have started a new foundation, based on new alliances, from which we can build a strategy that **absolutely will** provide Albertans with a better quality of life.
>
> And together, we at this conference do not believe that things will get worse. On the contrary, we believe that things will get better, because we share a vision that can work.

Here today are people representing a whole cross section of our province. I won't list the different interests involved — except I would like to make special mention of the young people who are here to speak for the next generation of Albertans. They are truly the key to the new Alberta we all hope to build.

Everyone here has a contribution to make, and I know that with the goodwill we share — and our common cause in wanting to make Alberta stronger and better — it's going to be an exciting two days leading to an exciting future.

So again, on behalf of my government and the people of Alberta, thank you for your commitment.

After the months of work by the people who have organized and brought you together — this is now truly your conference.

Thank you very much.

Remarks from The Honourable Don Getty, Premier of Alberta, to the Closing Plenary

Moderator Hal Wyatt, cabinet colleagues, Members of the Legislative Assembly, special guests, ladies and gentlemen:

We are fortunate that Toward 2000 Together had a certain quality and substance from the very start. That quality and substance was a direct result of you — the participants. It laid a solid foundation for this conference, and as I told you when we started, I was struggling to keep my expectations from running too high. But now it is obvious to everyone — these past two days have been exhilarating. And even though our sessions began less than 30 hours ago, how much we have done in these concentrated hours.

Tremendous talent was brought together here, but without any question the most important factor was that we all care deeply for Alberta. Because of that, we were willing to set aside differences — to leave our usual hats or uniforms at the door.

Everyone of us was struck at the beginning, when Roberta Barker asked us to "tread softly" on the dreams of young people. It made us pause, because she was so right to remind us of our responsibility. Our job is to build for the next generation, and build with care.

I was pleased to see so many young Albertans participating in these proceedings. Their contributions were outstanding. I have talked to a number of delegates who told me how much it meant to hear their ideas.

One of the reasons we can leave this conference having made such progress, is that the discussions were direct and honest.

We, the elected individuals who are here — from all parties — came to listen, and we listened carefully.

We've all used words like dreams and journeys — as we should. Because it is Alberta that is at stake — our future growth, the strength of our communities, and the opportunities for our young people.

But long journeys are still made of single steps — one day at a time. And when I think of journeys, I remember words that Margaret Thatcher has quoted often:

> "Does the road wind uphill all the way? Yes, to the very end. Will the day's journey take the whole long day? From morning to night, my friend."

The power of these words is really not the length of the journey, but rather the conviction that it **can** be done.

It's the faith that with determination and common cause, the destination will be reached. And with a province like Alberta, what destinations they can be. What destinations they can be provided we find the right course for these new times.

The past two days, you've helped define a new road map. You've told us that our management style must include Albertans in a better way, as we have done in this process. You've told us that thinking which was valid ten years ago, doesn't always fit anymore.

But you've also told us that this new process we have begun can work, will work and will gain momentum.

The journey we are on will continue as a productive and quality experience. Because of you! People from every walk of life in Alberta, prepared to make outstanding contributions to your province and to each other.

How does a Premier and a government say "Thank You"?

You didn't come seeking recognition — you came here to help. To influence Alberta's future. To make a difference — and you have.

We have just heard six reports that are truly exciting and promising in their thinking. They are the new foundation to build on.

It shows, once again, what happens when we are able to turn this kind of talent loose. What a marvelous resource we have uncovered and tapped. And it must not be lost.

The momentum must not be slowed. The journey must continue. We have forged an alliance here, and I want to take this opportunity to reaffirm my initial commitment as we stated yesterday.

This process belongs to you. You've bought into it — we've bought into it. Perhaps hesitantly at first, because none of us knew for sure if it could work. But it has been a huge success. And my commitment to you stands.

Obviously, we can't all keep meeting like this. But I've asked Don Simpson, Rick Orman, Peter Elzinga, Hal Wyatt and Susie Washington to work with you to select a continuing group of **your** representatives to ensure that **you** stay on this journey with us.

I commit my government to a partnership with you.

The process has to continue with the themes, options, choices and visions you have articulated.

As a government, we are letting go — letting go to you in a major way that is unprecedented in Alberta's history. Together we will build a better, stronger, smarter and more exciting future for our province and country.

Now I have to say thanks to a few individuals.

Let me start with Hal Wyatt. In his sensitive, effective way, he has helped make our conference a success.

To Don Simpson, whose quiet intelligence and guidance has been a beacon as he led us on these new explorations.

Susie Washington, whose charm and ability in organizing and coordinating this conference has been outstanding, and made our jobs easier.

Volunteers, moderators, facilitators and staff.

You've done a superb job, and you've done it with a touch and a sparkle that has pulled us all together.

Finally, once again to you, the delegates — your enthusiasm, your commitment, your wisdom, your determination have made it all work.

I hope you leave here feeling the genuine satisfaction that should be yours because you cared enough to get involved, and because you have made a difference. You have made a difference in our future, and your contribution will show up again and again and again as we build a better, wiser, stronger and more dynamic Alberta.

For that all Albertans will be grateful, and I thank you.

Remarks by The Honourable P. Elzinga, Minister of Economic Development and Trade, to the Opening Plenary

I'm most pleased to be here today at this important milestone in the Toward 2000 Together initiative.

These next two days promise to be a very rewarding experience for all of us as individuals — and for Alberta as a whole.

We'll evaluate some of the important opportunities and constraints facing us, and identify some possible options and choices in developing an economic strategy for our province.

REVIEW OF PROGRAM

I would like to take a few minutes now, however, to review the Toward 2000 Together program and what events have taken place since it was launched.

When Toward 2000 Together was introduced last August by Premier Getty, its stated objective was to obtain broad public input in developing a new economic strategy — a strategy that will allow Alberta to meet the many challenges, opportunities and risks that lie ahead.

Extensive consultation played an important role in Toward 2000 Together, even before its launch. In fact, all departments of the Alberta government worked together to produce the initial discussion paper and summary report.

The discussion paper set out the key issues and a number of options and choices available to the province.

Its purpose was to provide an opportunity — and a vehicle — for business, labour, local governments, educational institutions and individual Albertans to present their views and opinions.

We publicized the program through television and print advertising, welcoming all Albertans to call or write for their copy of the discussion paper and respond to it — either through the questionnaire provided or through a written submission.

At the same time, letters were sent to numerous stakeholder groups and associations. These included educators and environmentalists, business leaders and labour associations and social and cultural agencies to name a few.

We requested that they, too, complete the questionnaire — or consult with their members and develop a written submission.

RESPONSES

And Albertans responded. Almost 20,000 copies of the information package were sent out.

We've received over 3400 questionnaires back, many of them with written comments added.

In addition, 223 written submissions and briefs from various stakeholders groups and individual Albertans were received.

Many groups took the time to consult with their members, clients or constituents in workshops to develop their response to the discussion paper.

REGIONAL PUBLIC FORUMS

In addition, regional public forums were held across the province to provide Albertans with an opportunity to present their views directly to government, and to facilitate discussion and the exchange of ideas.

The forums were chaired by members of the Economic Planning Committee of Cabinet, and panels included local or regional MLAs.

From January through March 1992, six communities hosted these regional forums — Lethbridge, Medicine Hat, Red Deer, Calgary, Grande Prairie and Edmonton.

About 700 Albertans attended the forums, representing chambers of commerce, local governments, business groups and other stakeholders, as well as individual community members.

In total, 118 presentations were made. Panel members were impressed not only with the level of participation, but by the quality of the presentations and submissions received.

We have attempted to summarize all the input received through the various channels, and a copy of the summary report was included in your pre-conference information package.

ROUND TABLES

At the same time, in a parallel process another initiative was underway.

Acting at arm's length from the government, The Banff Centre for Management was contracted to hold a series of seven round tables across the province. They took place from November 1991 through April 1992.

The round tables were intended to obtain the benefit of expert opinion on a number of key issues, and to explore some innovative approaches in each of these areas.

Unlike the regional public forums, the round-table sessions were not open to the public. Each round table involved 25 - 35 participants who were selected by The Banff Centre on the basis of their knowledge or recognized expertise in the issue being discussed.

Dr. Don Simpson from The Banff Centre will be sharing his findings with you a little later. A summary document of the round-table results has also been prepared.

And finally, in a third parallel initiative, regular newsletters were published to keep interested Albertans informed on the status of the program and current findings.

THE CONFERENCE

The culminating event in this public consultation process is the conference we're attending today.

Over the course of the next two days, you'll be meeting many of your fellow delegates — delegates representing stakeholder groups that participated in the Toward 2000 Together consultations.

You'll have the opportunity to develop your own vision for Alberta in the year 2000 — identify the major issues facing our province, and explore a range of options and choices available in developing a new economic strategy.

The format of the conference is designed for maximum participation, with small-group workshops to encourage as much discussion as possible. The findings of these workshops will then be reported back in plenary sessions to facilitate the development of broader themes, directions and recommendations.

As a result of the input from the round tables and the public submissions, the conference has been organized under six themes. These themes reflect areas of concern that kept recurring throughout the consultation process. They are as follows:

1. **The Future of Resources**

   In the past, our economy was driven by the development of our resource industries, especially oil and gas and agriculture.

   To what degree will our resource industries fuel our future growth? What further diversification potential exists for our resource industries?

2. **Knowledge: Technology, Information and Innovation**

   As many experts have noted, there's been a strategic global shift from an industrial-based economy to an information-based economy.

   In this new economy, we'll be depending more on "intellectual capital" to generate our wealth, rather than traditional advantages such as abundance of natural resources.

   We'll need to be much more innovative, and focus more strongly on science and technology.

3. **Training, Education and Lifelong Learning**

   The continuing development of our human resources will be a key to our success in the future.

   Many stakeholders pointed out the importance of education and training, and the need to encourage a culture of lifelong learning.

4. **Competing in a Global Economy**

   Another shift is underway to a marketplace that crosses boundaries and ignores time zones.

   In the future, Alberta businesses will more and more be required to compete in the global marketplace.

   How can we capitalize on our strengths to ensure that Alberta businesses succeed?

5. **Environment and Sustainable Development**

There's no doubt that many Albertans are concerned about protecting the environment.

Sustainability will be the prerequisite for all types of new projects, but costs can't be ignored, either.

The challenge will be to integrate the concept of sustainable development into the economic decision-making process.

6. **Community-based Economic Development**

The last theme focuses on helping our communities build on their strengths to achieve growth and economic development from within.

How can we maintain the quality of life many Albertans are proud of? And how can we help communities take advantage of the initiative and entrepreneurial talents of their citizens?

While there are many linkages between each of the six themes, as you participate in the workshops it will be important to consider them each in the context of a new Alberta economic strategy.

FOLLOWING THE CONFERENCE

After the conference, a report of the proceedings and key findings will be prepared and released to the public.

The input and guidance received at the conference will be used as a basis for developing a new economic strategy — expected to be drafted by the fall of 1992.

CONCLUSION

I know that you're probably anxious to get started on the tremendous challenge ahead of you in the next two days. But I'd like to leave you with one thought: the most important word in our theme of Toward 2000 Together is the last word — together.

Throughout this conference, we'll be thinking and acting in partnership with others. Those "others" may be people we would not normally come across in our daily lives — people whose insights and observations may be very different from our own.

Let's use this very special opportunity to enrich ourselves as individuals and to come up with some creative, innovative and effective responses to the challenges we face — together.

Remarks from The Honourable Rick Orman, Minister of Energy and Chairman of Economic Planning Cabinet Committee, to the Opening Plenary

In the video we saw a few minutes ago, one of the children commented that she did not know how we are going to make the future better, "But I know the answer is out there somewhere, "she said without a trace of hesitation. I believe she's right.

Good morning, ladies and gentlemen. My name is Rick Orman. As the Chairman of the Economic Planning Cabinet Committee, it is an honour to address you today.

In our discussions together over the next two days, we should be as confident as that little girl. Confident that we can find answers on how to make the future better — for our children and ourselves.

Our sense of purpose here should be strengthened by what we heard from these kids. Their comments reflect that remarkable mix of wisdom and honesty, confidence and trust, and the wonderful optimism we so often see in children.

The wisdom and honesty to say, "I'm not afraid to admit I don't have all the answers." The confidence and trust to say, "I know there are answers out there; let's share our ideas." The optimism that says, "We can make the future a better place."

I share that optimism. I hope you do, too.

Some 18 months ago when the Economic Planning Cabinet Committee was developing the broad outlines of the Toward 2000 Together program, we were guided by Premier Getty's direction that Albertans from all walks of life and regions in the province be consulted. This was a priority for us. It was a direction that was wholeheartedly supported by the entire Caucus.

As Mr. Elzinga's comments prove, Albertans have been involved right from the start in Toward 2000 Together.

The input we have received from Albertans is noteworthy, not only because of the number of people and stakeholder groups who have given us their comments, but the quality of their insights.

The input clearly shows that Albertans have a very good understanding of their province and are keenly interested in its economic well-being. It is obvious from the many comments and submissions we have received, that Albertans understand that fundamental changes are occurring in our national and provincial economies.

Understandably, some are apprehensive but more recognize the inevitability of this change continuing. And, Albertans recognize the need to manage this change wisely. There is growing consensus among Albertans that we need to plan now for our future economy. That is what this Conference is about.

It is also clear that Albertans are saying they want to have input into government decision-making to meet the challenges created by the emerging new international economic order. Our government views this as very positive.

Quite simply, any government today acting in isolation has no hope of success in the world now unfolding before us. The dizzying pace of technological innovation, the globalization of production, finance and markets, the lowering of tariffs worldwide and the emergence of regional trading blocks require new approaches to economic decision-making by governments everywhere.

I believe all of us — regardless of our political affiliation or attachments to special interests — need to be more courageous in our creative thinking. We must be prepared to challenge and question our traditional assumptions and the solutions of the past.

Upside-down thinking is a phrase we hear often these days. The future will be very different. Our thinking must reflect the new circumstances we will face. Our economic strategies and priorities must be appropriate for the future.

Government should not be immune from this self-examination. We in government, and those who are governed, need to look at the role government plays in economic management. It has been suggested that in the new economic order, the role of government may be more one of managing process rather than issues.

According to this thinking, government would act more as a facilitator, providing information and forums for stakeholders to come together to discuss and solve mutual problems.

As noted in the Summary Report of the Banff Centre Round Tables: "The new role of government may be to give courage, confidence and opportunity to community-based alliances."

We have to be open-minded to these ideas and to other new ways of thinking. The decisions that we ultimately make should be based on what is best for our society and what will work in the future.

I had the pleasure of chairing three of the six Regional Public Forums that were held. What was perhaps most significant for me was the degree of consensus that emerged regarding the need for us to work together and the willingness to do so.

Here I am referring not only to government and stakeholder groups working together, but co-operation and joint problem-solving among stakeholder groups — labour and management, environmentalists and industry, universities and industry, for example. Some call this the new strategic alliances. That's another new phrase we hear a lot these days.

Also significant is the amount of agreement that exists as to the need for all of us to plan now for the economy of the future. As one of the young lads we just heard from said, "More people should be talking about the future." More Albertans than ever are doing just that. That is what we are doing at this Conference.

The public input we have received through the Toward 2000 Together process — the completed questionnaires, written submissions, oral presentations in the Regional Public Forums, and the Banff Centre organized Round Tables — has been made available to each of you.

I would mention to our television audience that the information is also available to all Albertans. We hope the public will review it. It is good reading. It is important reading.

To this input we can also add the comments and ideas our government has received through our other consultative initiatives over the past three years. While these consultations have focused on specific topics, they contain valuable insights to help guide us in our discussions during this Conference and beyond.

Some of these other initiatives include: the Clean Air Strategy for Alberta — a joint undertaking between the Departments of Energy and Environment; Tourism 2000; Vision For the Nineties — an initiative of the Department of Education; the Alberta Workforce to the Year 2000; local development initiative; royalty reviews; and public consultations dealing with science and technology policy.

These initiatives, along with several others, are identified in the appendix of the Conference workbook. I encourage you to learn more about them.

As a final comment, I want to say something about expectations. That's another word we often hear these days. The Toward 2000 Together process has been highly successful.

The many individuals and groups who have participated in it, as well as our government, have high expectations of the end results. Rightfully so.

As delegates you have expectations of this Conference. While it is good to have high expectations, we must also be realistic.

Our collective goal is to develop an economic strategy to guide Alberta to the year 2000 and beyond.

But if there is one thing we know for certain about the future, it is that conditions and circumstances will change with increasing rapidity. An effective economic strategy for the 1990s and the decade beyond is one which assumes this rapidity of change. Decisions and assumptions valid for May 28, 1992, may be less valid, or no longer valid, five years from now, or even two years from now.

Flexibility and adaptability are key ingredients for future economic success. In our discussions over the next two days, we should keep this in mind.

We cannot concoct an immutable economic strategy for the future, nor should we even try. To do so would be contrary to what we know we will face in the future.

In conclusion, let me simply thank each of you for being here. I encourage you to be courageous in your discussions and your vision for our province. By consulting and working together, we are building a better Alberta.

Remarks from Dr. Don Simpson, Vice-President and Director, The Banff Centre for Management, to the Opening Plenary

Thank you, Mr. Chairman, Mr. Premier, ladies and gentlemen.

Premier Getty made brief reference to the mood of pessimism into which many Canadians have dropped over the past few years as they tried to grapple with the complex changes. Some of you perhaps will have heard Peter Gzowski on his morning radio program in which he asked his listeners to complete the following statement, "as Canadian as ..." Some of the answers were lyrical, some of them were rather mundane. But the winning answer was, "as Canadian as can be expected given the circumstances."

Canadians examining the economic circumstances that exist now in Canada could be driven to pessimism. This, however, is not a pessimistic gathering. Neither were the Round Tables about which I'm to say a few words. The Round Tables grew out of a retreat session of the Economic Planning Committee of Cabinet, who then approached

the Banff Centre of Management to develop the appropriate process. The sessions were a parallel activity to the vast array of activities under the "Toward 2000 Together" label. The Round Tables were to offer a non-partisan, cross-disciplinary view of the economic challenges and opportunities facing the province.

I want to publicly thank the government for giving us the financial and moral support to run these Round Tables, and for allowing us a very free hand to organize them and to operate the sessions at arm's length from government.

You all have the summary report of the Round Tables, so there's no need for me to document the organizing details except to remind you that there were seven different Round Tables. They took place in seven different communities, and each Round Table had a different cross-disciplinary aspect of the future economy to consider. Each Round Table involved an invited cross-section of participants selected so that the group would be as diverse as possible in terms of knowledge, experience, attitudes and perceptions.

In trying to grapple with the complex economic issues to which reference has been made many times this morning, one is struck with the fact that there are so many different perspectives that people bring to the concept of the new economy. It reminds me of that old story which you perhaps have heard of the teacher at the international school who assigned to her students an essay on the elephant. The student from the United Kingdom wrote on "The Elephant and the Empire." The student from France, of course, wrote an essay on "The sex life of the elephant." Not surprisingly, the student from the United States wrote on "How to build bigger and better elephants", while the Canadian student's essay was "The Elephant: Is It a Federal or a Provincial Responsibility"?

The concept of the Round Tables grew out of the sense that we are living through another one of those great swing points in history, in which major shifts take place in the way in which we view the world and organize our lives in it. Back in 1776, Adam Smith wrote that famous book on The Wealth of Nations, which helped trigger a great period of laissez faire economics. A hundred years later, following the devastating recession in Europe, people began to look to governments for the first time as the main agent of change and as a source of social betterment. And over much of the world that led to state communism. In our part of the world, it lead to welfare state liberalism.

However, in the late 1960s and early 1970s, through a confluence of forces of global change, we have entered a new economic era that is still being named as some people struggle to acknowledge its existence. It goes by many names: the post-industrial age, the entrepreneurial age, the information society, the service-based economy, the ecological era, the global economic era, or the knowledge-based society.

In the Round Table, our sense was that the way in which we respond to global changes is influenced very much by the kinds of visions we carry in our minds about the new realities. So we struggled to develop new mental maps, new images, new language and new metaphors to help us understand the new era. The metaphor we chose to set the context for our Round Tables was that of a journey — a journey of adventure to discover new worlds. And the concept of a journey of adventure seems to us to be an apt metaphor for the 1990s, which are clearly going to be challenging times — and times that are filled with great uncertainty.

We tried, then, with the Round Tables to go on a metaphorical journey of exploration. This gathering is another leg in that journey, although, as Premier Getty has noted, it is clearly not the last leg. In our search for a new perspective, we reached out to utilize humour, to seek new images, and we adopted the words of the poet T. S. Elliot, who wrote, "We shall not cease from exploration and the end of all our exploring will be to arrive back where we started, and know the place for the first time." As an overarching

theme for the Round Table journey, we chose the phrase "towards an innovation-driven economy." We were trying to come to grips with what it takes to function successfully in an economy in which brainpower and human capital have become as important as physical capital.

A central theme of our Round Tables was that competitive advantage is based as much on ideas and information rather than being based necessarily on abundant raw materials and cheap labour. In a knowledge-based economy, information is both a lucrative product and an organizing principle of production. This gives us a new opportunity, then, to create our own competitive advantage. In order to do it, we need a supply of highly educated workers. We need to strengthen our ability to learn from others, our ability to develop entrepreneurial managers, and our capacity to innovate continuously.

In the Round Tables, we posed to ourselves some of the tough options that some people were suggesting had to be considered. Some told us we either have to be concerned with economic development or environmental concerns. We either have to reduce the level of public services, and thus become competitive, or we can maintain the level of public services and lose any chance to become competitive. To these people very hard choices have to be made regardless of the consequences.

In the Round Tables, we tried to break through that kind of linear either/or mentality and find innovative ways of tackling these problems. To the surprise of many, a considerable number of new options were put forth that were exciting possibilities most had not yet considered. We also began to see that the main crux of life for us now is to deal not only with complex strategies but also paradoxical strategies. In other words, we are being forced to work innovatively at bringing about the living reconciliation of opposites, which in strict logic seemed to be irreconcilable.

We dealt with innovation in the broadest sense. We saw innovation as the invention of new products, the development of new processes, and the creation of a new context for economic activity. Innovation in this context then means much more than research and development in science and high technology, however important that may be. Innovations can also occur on the shop floor, in management and marketing meetings, in the classroom, or in the planning and implementation of social policy.

We grappled with the implications of an organizational revolution that is playing itself out in business, labour and government as they try to respond to the fundamental changes which are driving the evolution of the new economy.

Our participants found that they were concerned with competitiveness, but they were uneasy with the image of competitiveness that was flowing out from some parts of our nation. They rejected the idea that competitiveness has to put us in a position of saying "It's a tough world out there; we've got to get lean and mean and concentrate only on internal efficiencies in order to survive. It will hurt some, it will help others, but that's the reality of life."

The participants, in a very reasoned and thoughtful way, began to see that applying the new technology in innovative ways gives us a real opportunity to leap up the value chain and become creative and competitive, but not as an end goal in itself. The goal was wealth creation, and the improvement of the quality of life. And so, I think participants were delighted to see that with some hard thinking they found that competitiveness and quality of life were co-partners.

They also began to look at quality of life, but not just as something nice that you hope you can hang onto at the end of a heavy period of tough work. Rather they began to see that in this new knowledge-based economy, quality of life could be seen as a strategic asset. Quality of life, in fact, could become the driver of a new economy.

Out of all of these efforts, participants began to see that what we are engaged in was a real culture shift in our society and, therefore, it was not something that a small group of experts could get together and settle. It would require the kind of alliances that you've been hearing about and an increased commitment to collaboration across the community.

The Round Table process brought home very vividly to us the reality that building a shared vision is a difficult task that involves open and honest communication, careful and sympathetic listening and a great deal of time and energy. It's also an essential first step in creating the spirit of collaboration and co-operation that we are coming increasingly to recognize as the hallmark of the new world into which we are journeying.

It was a fantastic experience to serve as the navigator of those Round Tables. And to a remarkable degree, the Round Tables crews managed to achieve this spirit of learning and working together as a community. Although we would all admit that there were moments of frustration and even anger, there was a surprising degree of consistency in the themes that emerged from the seven Round Tables. And the sessions produced many creative suggestions as to mechanisms and approaches that might move us forward. As individuals and in small groups, the Round Table crew members have been meeting in follow-up sessions to flush out these ideas and to consider the next steps. Each Round Table participant took away new information, new insights and suggestions to apply to their own efforts as individuals or in their organization. We found ourselves trying to stimulate our work with Gandhi's words, "We must be the change we wish to see in the world."

We all found new understandings of how others were approaching these issues and problems, and we renewed our commitments to working in alliance and partnerships with others. We began also to have a clearer sense that the Round Table journey was a continuous one that will be carried on here in the next couple of days and is building on the momentum that was created by the "Toward 2000 Together" process to move us forward to our vision of Alberta's future.

On this journey we have to recognize that we may run into some storms and, in fact, we may find ourselves shipwrecked from time to time.

I'll close with one last story of someone who was shipwrecked on a tropical island and found himself faced with a life-threatening problem. But being the graduate of a fine Canadian business school, he didn't panic. Instead, he carried out a quick analysis of his environment and decided that the strategy was to build a raft on which he could float to safety. He began to take down the eucalyptus trees that were on the island. The eucalyptus is a tall, thin tree that can be broken easily into long strips. He then utilized the sisal plant. You can rub the sisal plant with water and make a rough, home-made rope out of it. He began lashing the eucalyptus strips together to make the raft. However, very soon he had used up all the eucalyptus on the island and then was left waiting each morning to see what driftwood came ashore with the tides. Well, you can imagine his excitement one day when he woke up and saw a complete lifeboat on the beach. A steamer had sunk at sea and a complete lifeboat had washed ashore on this small island. Well, it only took him a few moments to run down and break up that lifeboat to get the last two logs he needed for his raft.

What's the moral of the story? The moral is that if in the next couple of hours, or the next couple of days, or the next couple of months somebody presents you with a lifeboat, try not to break it apart just because it doesn't fit the image you have in your mind of what the solution are to our problems.

Let the journey continue.

Remarks from Ms. Roberta Barker, Student, Western Canada High School, to the Opening Plenary

Mr. Chairman, Mr. Premier, ladies and gentlemen, thank you for offering me the opportunity to speak to you today. When I mentioned to my friends that I would be speaking at this conference, I was greeted with frank incredulity. You don't know a thing about the economy, they said. And for the most part, in my case, they were right. Certainly there are students here today who have made an extensive study of economics. Many of us coming out of high school know something of economic theory, but very little about Alberta's economy and the workplace in practise.

Why, then, are we as students here today, considering that we are far from experts on the topics to be discussed? In fact, our very lack of expertise is one of the best reasons for our presence. We're here to learn and to begin to take responsibility for our own futures, for our generation's future is one of the most important topics to be discussed here today, as we've already seen. We hope to contribute something of our perspectives to these discussions.

On behalf of my peers, I should like to ask all the delegates here today to consider their decisions carefully, as these decisions will help to decide the form that our shared future will take. We are about to enter the work force. The economy of the year 2000 will determine our chances of employment, and will influence the opportunities offered us by the jobs we hope to find. We ask you, then, to spend these days of conference as productively as possible so that your future and ours will offer as many opportunities as possible. As the poet Yates put it, "tread softly, because you tread upon our dreams."

It may be, we know, that some of these dreams we hold are unrealistic. We come, for the most part, out of an environment in which many of the most difficult discussion points of this conference seem like givens. We live with cultural diversity and with diverse educational options in our classrooms and hallways, scarcely even realizing they are there. Environmentalism, pacifism and internationalism are ideas that have brought together large groups of my peers.

At the moment we are worried about the recession we hear of on the news; about unemployment; about a world in which opportunities to use the knowledge we have gained sometimes are becoming fewer. Perhaps we are even more worried that in ten or twenty years the natural world itself may be getting smaller. That environmental destruction will leave us with no resources to work with or to enjoy.

For us, the model Alberta 2000 would likely be a province in which the workplace offered equal and diverse opportunities for both sexes and for people from all sectors of society. A world in which our jobs would not exist at the expense of the environment, but in which natural resources would be protected so as to remain available for our use and the use of future generations.

Many of us are in favour of a continued and heightened involvement in international trade and relations, at a time when, it appears to us, the world is moving more and more toward internationalism and away from isolationism. We feel that this vision is achievable, but we will need help in achieving it. By joining projects such as "Toward 2000 Together", we hope to have a chance to modify our vision through learning, and to affect others' visions by communicating to them our ideas, hopes and aims for the future.

Therefore, on behalf of my peers, I should like to thank the Alberta Government and all the organizers of this conference for the opportunity which has been given us to participate here. We sometimes have too great a tendency to dismiss assemblies of this sort as "adult affairs." But the fact is that we are becoming adults and it is vitally important for us to seize the chance to meet with others and to discuss issues. As students, we hope to learn and to share our ideas in order to take hold of our own responsibility for the province and the world in the year 2000. To that end, we hope that this conference will be a great success. And we feel privileged indeed to be here. Thank you very much.

8. APPENDIX B: Presentations by the six thematic speakers

Dr. David Elton, President, Canada West Foundation:
The Future of Resources B1

Dr. David McCamus, Chairman, Xerox Canada:
Toward a Knowledge-Based Economy B12

Ms. Caroline Pestieau, Deputy Chairman, Economic Council
of Canada: Training, Education and Lifelong Learning B17

Mr. Ken Taylor, Partner, Taylor and Ryan Inc.:
Competing in a Global Economy B30

Mr. Ken McCready, President & CEO, TransAlta Utilities:
Environment and Sustainable Development B34

Mr. Dale Dowell, Partner, Price Waterhouse:
Community-Based Development B40

Specific Challenges for Alberta: Opportunities and Constraints
The Future of Resources
Thematic Speaker: Dr. David Elton

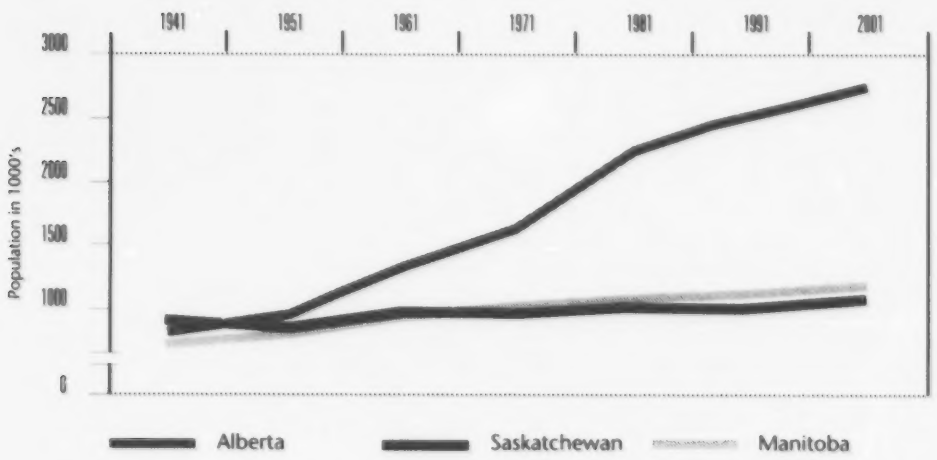
INTRODUCTION

Alberta is a province built upon resource extraction and development. People initially moved to Alberta to exploit the top four inches of the soil. This activity, plus related value-added activities, accounts for approximately one million residents. The discovery of major oil reserves in 1947 and the subsequent value-added activities accounts for another one and half million people. Evidence for these observations is found in population and Gross Domestic Product figures of the three prairie provinces.

FIGURE 1

Population growth in the Prairie provinces

Alberta, Saskatchewan and Manitoba population statistics 1941-1991



The population of Alberta is two and a half times the size of Manitoba and Saskatchewan. This is not exclusively because of oil and gas, but the correlation between population growth, GDP, and the growth and development of the oil and gas industry is far from coincidental. As Professor Bob Mansell pointed out recently, "Alberta's oil and gas industry directly and indirectly accounts for about 70 percent of all goods produced in Alberta, and for at least one-half of all income and output in the province."

The workbook for this conference tells us that the future of resources, particularly conventional oil and gas, is not promising. We are told, for example, that there are **lower levels of industry reinvestment**, that the province's conventional oil reserves continue to be depleted, and that the conventional oil industry has reached a mature stage of development.

We are also told that Alberta is a high-cost producer of natural gas due to the distance to markets, the Alberta fiscal regime and the regulatory environment.

A similar message with varied rationale is conveyed regarding coal, oil sands and agriculture. A somewhat more optimistic picture is painted of forestry.

Given the declining or stagnant status of resource industries, there is an implicit or even explicit assumption that Alberta should be diversifying its economy away from resources and toward the dynamic industries of the information age — computers, telecommunication and a wide array of service industries. Indeed, it is argued that these industries have already become key components of the Alberta economy based upon the simplistic argument that the Alberta economy has performed better than what might be expected given large drops in energy and agriculture prices since 1986. While diversification can take some credit for this better-than-expected performance, a substantial portion of the economic activity since 1986 can be traced to the very resource industries that weren't performing as well as had been hoped.

It is important to keep two things in mind regarding the performance of the Alberta economy from 1986 to the present. First, the downturn in the two key resource industries has been softened considerably by massive government support programs in agriculture, numerous incentive programs in the oil and gas industry which helped maintain exploration and production activities, increases in energy production, energy industry rationalization and cost reductions, and a stimulative provincial government fiscal policy. These programs have permitted both the energy and agriculture industries to continue to play a critical role in stimulating demand for construction, professional services, etc.

Second, much of the professional services, computer capabilities, etc., have been developed here in Alberta because of an initially strong and now continuing demand for these services emanating from the two key resource industries. In sum, my argument is a simple one. Alberta's economy has developed into a dynamic, diversified, modern economy primarily because of the dynamics of its resource industries. Resource industries are the primary regional economic development and growth engines of economic activity. If Albertans want to maintain the high standard of living they presently enjoy, then special care and attention must be paid to creating a positive environment for natural resource industries.

The growth and development of Alberta over the next twenty years will depend, to a considerable extent, upon the continued health and development of our resource industries. This does not mean that every effort should not be undertaken to stimulate information-age industries — far from it. It simply means that a dynamic and growing resource industry will play a significant, even critical role in the location and growth of these new age economic activities. To not place the maintenance and growth of Alberta's natural resource industries at the center of an economic strategy for the next two decades is to permit the gradual atrophy of the very foundation upon which our economy is based.

Figure 2 provides a forecast of projected production levels for six key Alberta natural resource industries. These forecasts indicate that natural resources will continue to play a critical role in stabilizing the Alberta economy for the foreseeable future.

We can learn a lot from the key lesson taught by the golf pro to a good golfer, or the advice of a good NHL hockey coach to his players. These people don't teach their students anything new, they simply remind them of some of the basics they've forgotten, and help them get rid of some bad habits. There are a number of clichés that fit the circumstance Alberta finds itself in regarding our resource-based economy.

FIGURE 2A **Oil** — Total supply of crude oil and equivalent

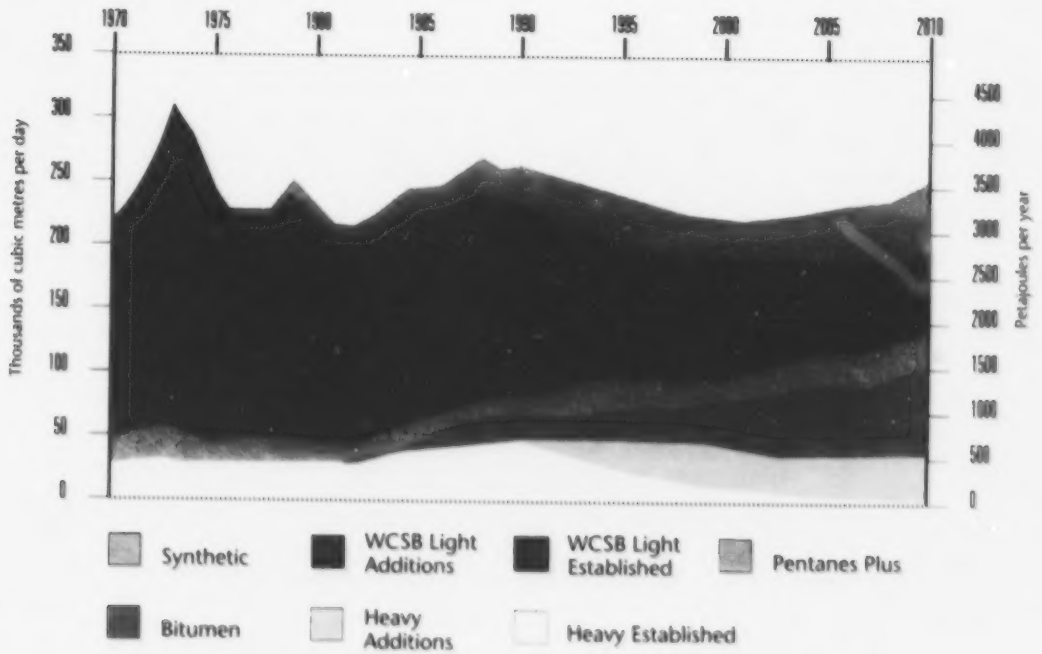


FIGURE 2B **Natural Gas** — Natural Gas supply and demand

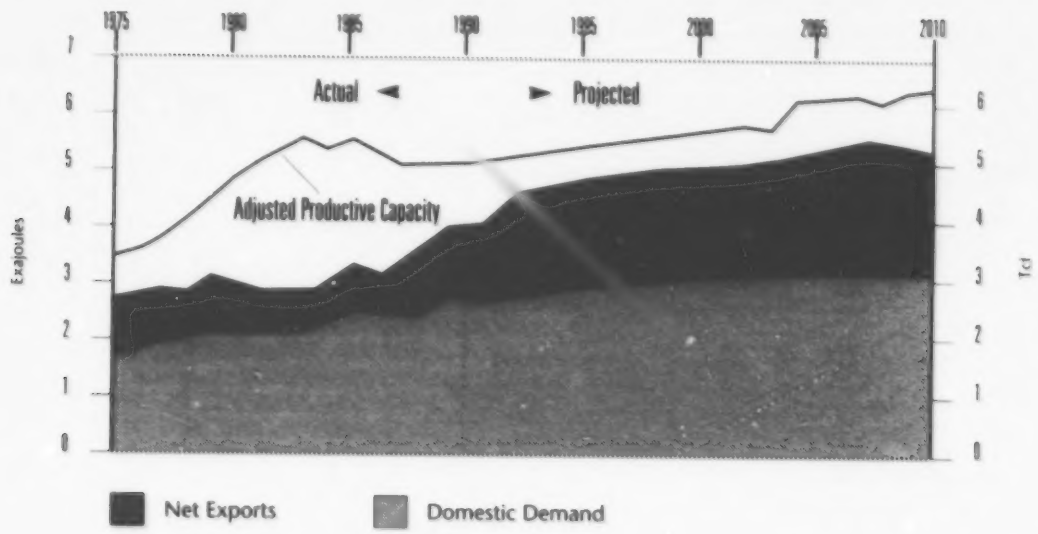
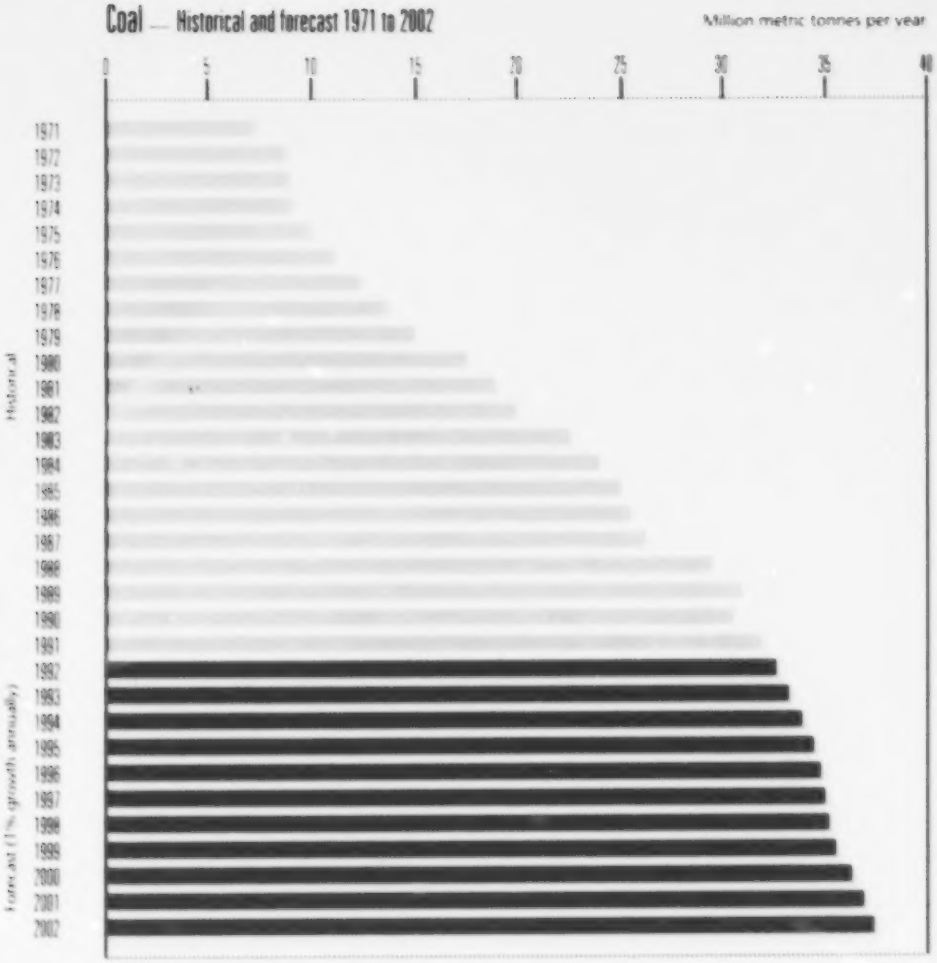
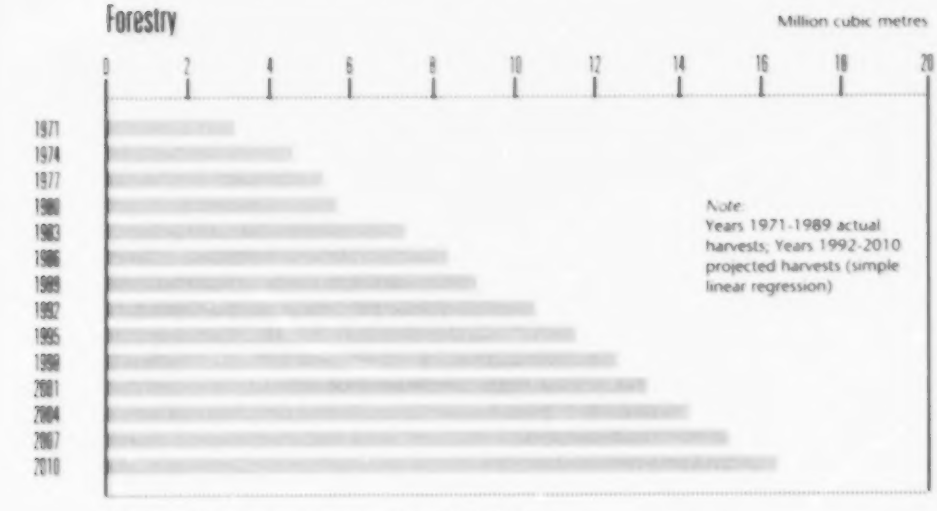


FIGURE 2C



Source: *The Coal Association of Canada.*

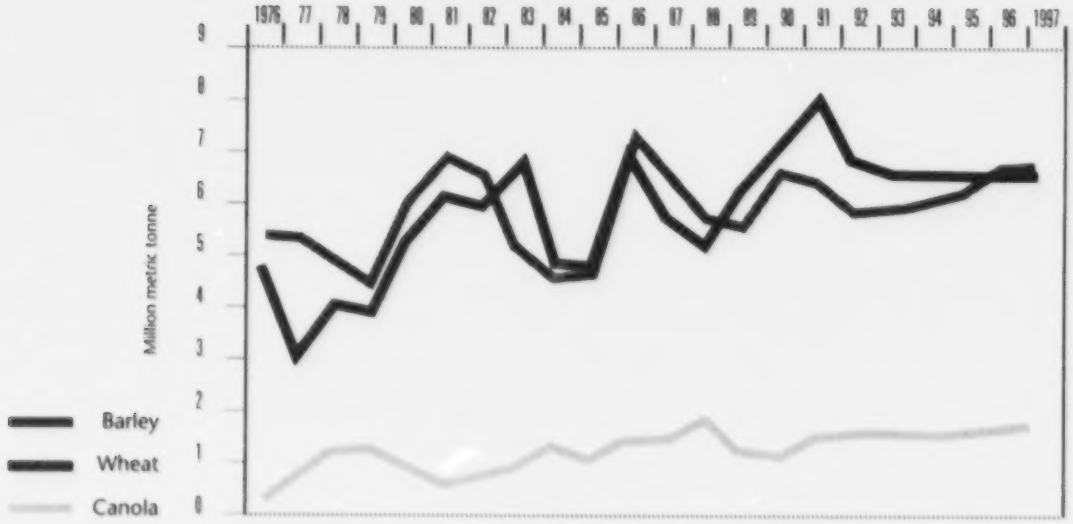
FIGURE 2D



Source: *Alberta Forestry, Lands and Wildlife.*

FIGURE 2E

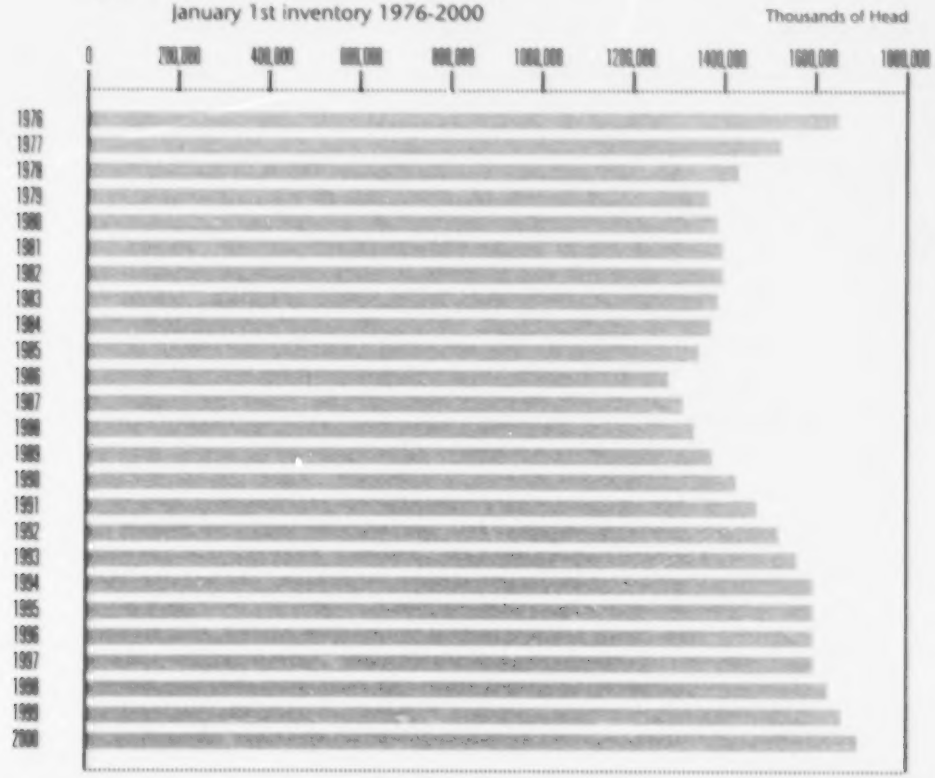
Grains — Alberta Grain and Oilseed production 1976-1997



Source: *Canada Grains Council. Forecasts derived from Agriculture Canada Medium Term Outlook.*

FIGURE 2F

Beef — Growth of Alberta's beef cow herd
January 1st inventory 1976-2000



Source: *Statistics Canada, Alberta Agriculture.*

A wise grandmother would say, "stick to your knitting."

An experienced farmer would observe, "the grass always looks greener on the other side of the fence,"

An experienced explorer would suggest that "the acres of diamonds you're looking for are in your own backyard."

A Stanley Cup coach would suggest that Albertans "don't forget what got you to where you're at."

These clichés, while sometimes considered trite, are also very often insightful. That is why so many people use them. I believe we should consider their applicability to Alberta's future economy.

RESOURCE INDUSTRY OPPORTUNITIES

Resource industry projections for the next 10-15 years indicate both the agriculture and energy sectors can continue to act as engines for growth for the Alberta economy over the next two decades. This means they will not only provide basic employment for many, but they will also continue to provide a foundation for value-added development and growth.

To exemplify this point I'd like to focus upon three segments of Alberta's natural resource industries. First, I'll discuss the conventional oil industry — the very same industry that is often depicted as being in decline — some even say a sunset industry. Second, I'll focus on the Alberta beef industry. Third, I'll make some comments on the canola industry.

CONVENTIONAL OIL

To begin with, it should be noted that conventional oil is still Alberta's most lucrative natural resource – it brought in 6.8 billion in 1991, or $2,800 for every man, woman and child. Second, while conventional oil production is declining about 2.7 percent per year, it will probably still generate $8 billion plus in revenue in the year 2000. Third, a change in the rate of decline of one percent in conventional oil would create the equivalent of an $800 million industry in Alberta in 2000. In sum, it is possible that an increase in conventional oil recovery could be one of the most positive stimuli to the Alberta economy in the next ten years. Let me illustrate what I mean by utilizing some of the data presented to the Towards 2000 initiative by Imperial Oil.

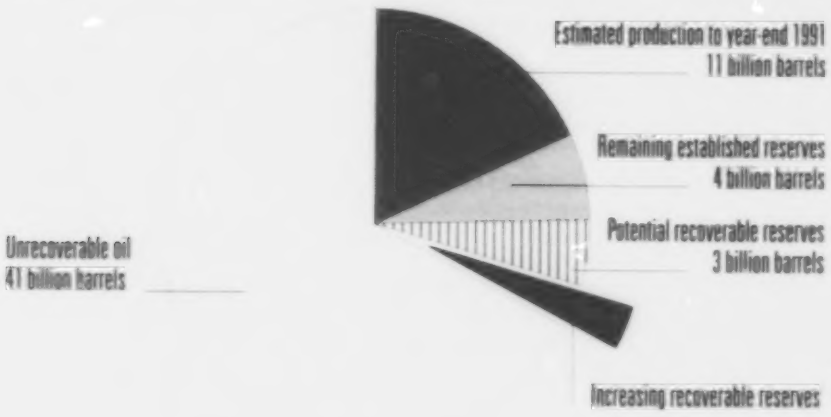
Figure 3 shows the breakdown of conventional oil resources in Western Canada by level of production and remaining reserves. These data indicate there is a good probability that there are 4 billion barrels of oil yet to be found. Industry experts believe that about 40 percent of this amount will be found in 100 pools containing some 15 million barrels each. These expectations provide an excellent opportunity for focused exploration, which will add considerably to Alberta's economy over the next decade and a half.

The development potential of the remaining known reserves is substantial. If, for example, the overall recovery rate could be moved from 30.5 percent to 34 percent, it would add 2 billion barrels to recoverable reserves. If one spent $10 per barrel getting this oil, it would result in $20 billion in additional capital spending — the equivalent of an OSLO or Hibernia. We know where this oil is and the infrastructure for handling it is in place. We now need technological advances and incentive (i.e. removal of fiscal barriers). Note this "recovery" project could add the same kind of economic stimulus to Alberta as the Microsoft industry adds to Seattle.

The key to accomplishing greater productivity from existing reserves and exploration is people and technology. This relates to research and development, training and incentive. The opportunity is there, all that is needed is the incentive to motivate the industry to take up the challenge.

FIGURE 3

Conventional oil resources in western Canada



Increasing recoverable reserves by 2% – 3% would add 2 billion barrels, or $20 billion in additional capital spending over 20 years.

Source: *Geological Survey of Canada, and Imperial Oil internal assessment.*

SUMMARY

The opportunities in the conventional oil industry are considerable. They are:

1. Find and produce an additional 4 billion barrels of oil.

2. Develop a method to recover another 2-3 percent plus of the known oil reserves — an additional 2 billion barrels (up to 70 percent of discovered oil is currently unrecoverable).

3. These two activities (exploration and recovery) could have the added benefit of building Alberta into an international oil exploration and development centre with expertise that could be exported throughout the world.

Indeed, just such challenges have already established world class firms whose experience in the Alberta oil patch has led to the development of a skilled workforce and technological expertise unmatched anywhere else. While our remaining oil pools may not be "world class," the work of **Safety Boss** in Kuwait has certainly shown us that our technology and people are world class.

CONSTRAINTS

Now that we have looked at the potential for growth in the conventional oil industry, it is imperative that we identify the constraints to achieving the opportunities outlined. Clearly, the single largest constraint is price — the internationally set price for oil over which neither Alberta producers or the Alberta government has any control. As a price-taker, Alberta must live with whatever the market dictates.

While Alberta cannot influence international prices, it can deal with explorations and production costs. Certainly we have seen ample evidence of this with the downsizing and rationalization taking place in the oil and gas industry. There have also been

some adjustments to royalty ratio over the past few years. From an industry perspective, the government has been far too inflexible, however.

Whether it be IPAC, CPA, oil well drillers or individual companies, all industry spokespersons have indicated that the health of the entire oil and gas industry is dependent upon the development of a taxation and royalty regime that is sensitive to the competitiveness of the Alberta industry, given a dynamic international marketplace. In sum, a taxation and royalty regime that keeps the Alberta oil and gas industry competitive is essential to the Alberta economy.

Just exactly what such a taxation and royalty regime should be to keep Alberta competitive is a matter of judgment that will hopefully be worked out in the near future through industry-government negotiations. What is clear is that there needs to be significant changes to the Alberta royalty structure if the investment necessary to stimulate exploration, production research, technological advances and manpower training advances are to take place. Without such changes, it is highly unlikely that the opportunities identified earlier will be realized.

A second key restraint to the oil and gas industry over the next ten years is the potentially dramatic increase in costs related to environmental concerns. Clearly there is no one who will argue that environmental concerns regarding air, land or water do not deserve the highest priority. That is not the issue. The question for Alberta in the 90s is how we can increase our ability to protect and enhance the environment, and at the same time stay internationally competitive. This, of course, is what sustainable development is all about. It is not an issue that will or can be solved by a blanket policy. It is something that all participants in industry, government and the environmental groups are going to have to deal with on a case-by-case basis.

THE BEEF INDUSTRY

Whether Alberta is better known for oil or beef is probably a matter of circumstance — and a moot point. Beef is unquestionably one of Alberta's best known commodities. It is also an industry with considerable growth potential over the next decade, notwithstanding health conscious consumers and a dramatic increase in the consumption of poultry.

The potential growth I'm referring to has to do with export market potential, and primarily the Japanese market. The opportunity is as follows:

OPPORTUNITY

1. Of all the possible major markets for expansion outside the United States, Japan currently offers the best opportunity and is one of the few export markets that is able to provide medium-term, sustained-growth prospects for the Alberta beef cattle industry.

2. Japan's market of 120 million people, with one of the highest per-capita incomes in the world, offers tremendous prospects for increasing Alberta beef exports. The opportunity exists for two basic reasons:

   - Japanese people eat much less beef on a per capita basis than do residents of other countries with similar high income levels; and

   - the phasing out of quotas on imported beef, which began in April 1991 (replaced by a declining schedule of tariffs), has increased the opportunity for Canadian beef to compete with domestic beef.

3. In 1991, an estimated 4,500 tonnes of Canadian Beef worth $18 million was exported to Japan. Alberta's share of beef exports to Japan accounted for 2,900 tonnes worth $11.7 million.

4. Canada Beef Export Federation has a goal to fill 10 percent of Japanese beef imports by the year 2000. Japanese beef imports are forecast to rise from 376,000 tonnes (1990) to 720,000 tonnes in 2000, with Canada hoping to increase total exports to 72,000 tonnes. This could expand the Canadian herd size by 300,000 head and be worth U.S. $300 million to the industry.

5. Based on Alberta's present proportion of Japanese beef exports (65 percent), attaining the goal of filling 10 percent of Japan's beef import needs by the year 2000 could add $200 million to the province's economy.

6. The Canada Beef Export Federation spent $2 million promoting exports of beef to Japan in 1991; not a lot in comparison to major exporters such as Australia and the U.S.

The constraints to achieving this export potential are as follows:

CONSTRAINTS

1. There is much potential for the Japanese to add greater amounts of beef to their diets. There are a number of CULTURAL AND DIETARY constraints, however, which may inhibit the growth of beef consumption.

   a) **Religious** — During various periods in Japanese history, religion and state law have banned the consumption of meat. While the consumption of meat is not presently banned, there is an element of superstition and tradition that continues to limit the rapid growth of beef diets.

   b) **Culinary Practices** — Beef is consumed differently in Japan than it is in North America. Japanese prefer their beef cut into smaller pieces or thinner slices, as opposed to the roasts and steaks that we consume. A major reason they prefer their beef cut this way is that Japanese still mainly use chopsticks as tableware.

2. RESEARCH AND DEVELOPMENT — Canada is deficient in a number of research areas that would enhance its ability to fully realize Japanese beef market potential.

   - The Japanese prefer longer fed, heavily marbled beef. Canada is marketing its healthier, lean product which could, over the longer term, be successful among younger Japanese as a healthier alternative. However, Canada also needs to do research on the comparative costs of longer-term feeding of cattle over a period of at least 365 days, and examine the risks associated with that.

   - Canada needs to do more market development and market intelligence research to find niches for Canadian products.

   - Canada is geographically removed from Pacific Rim markets, so additional attention must be given to the shelf-life of a perishable product such as beef. Current North American technology provides for a chilled shelf life of 40-45 days. If beef is to be moved to Japan in chilled form, it will likely be necessary to extend the shelf-life to at least 70 days.

   - The establishment of a national "centre of excellence," which focuses on a wide range of red meat export research issues, would go a long way in helping exporters tailor their product for export markets.

3. INSTITUTIONAL — In some cases regulations intended for the protection and convenience of domestic consumers are also the standards for exports, even if the country importing does not demand such practices. The federal government should ensure its regulatory policies in the red meat area do not hinder exports. Recent changes in the meat grading system to include marbling as a grading criteria is a step in the right direction, which may ease the marketing of Canadian beef to Japanese consumers.

THE CANOLA INDUSTRY

Canola is Canada's most important oilseed. No other major crop in Western Canada has, from an economic and diversification perspective, promoted or encouraged the development of industrialization as well. Alberta presently accounts for about 40 percent (1.3 million hectares) of total canola area seeded in Canada, and 38 percent of production (1.6 million tonnes). Receipts to Alberta farmers from canola were $350 million in 1990. Three canola-processing plants are located in Alberta (Lloydminster, Lethbridge and Sexsmith) with a total crushing capacity of 2,100 t/day.

The multi-million dollar Canadian canola industry is the visible product of a successful production and research package coordinated and supported by producers, industry processors, governments, handlers, shippers and exporters. Nowhere else in Canada, or perhaps even the world, is there an example of an agricultural industry that has developed in such a short period of time. Canada has advanced from an industry that produced a few random acres to an industry which is a major economic force with an annual processing capacity of just over 2.2 million tonnes.

This processing capacity is the result of growth in the demand for canola and its products both domestically and internationally. The processing capacity has been underutilized in the last number of years, with industry operating at an average of two-thirds capacity over the past five years due to a strong export market for seed, an abundant supply of cheaper vegetable oils globally and increased competition from Europe's low erucic acid rapeseed oil. Rationalization in the past year will leave the industry in a much better position to pursue new markets in the future.

THE OPPORTUNITY

The Canola Council of Canada forecasts increased domestic and export demand for canola oil and seed to the year 2000. Canola seed demand is expected to increase from 4,090,000 tonnes in 1992 to 4,895,000 tonnes in 2000, which could add an additional $250 million to the economy (based on a 5-year average price of $300/tonne). Canola oil demand is also forecast to increase from 664,000 tonnes in 1992 to 874,000 tonnes in the year 2000 adding an additional $100 million to the economy (based on five-year average price of $515/tonne).

The biggest potential markets for Canadian canola and products are in Japan and the U.S.

Over the past five years Japan has been Canada's major canola seed export market, representing 87 percent of total seed exports. Canadian processors do not have much of an opportunity to sell canola oil to the Japanese market due to the existence of a high tariff of about $150/tonne. Should Japan comply with removal of tariffs under a possible GATT agreement, a new window of opportunity could open for value-added processing in Western Canada. Canola oil is now being promoted in Japan instead of the generic "vegetable oil," which should provide a brand identification for Japan's health concerned consumers.

Demand for canola oil exports to the U.S. jumped sharply when it was granted "Generally Recognized as Safe" (GRAS) status. In the last five years; canola oil exports to the United States have increased by 110,000 tonnes. Puritan brand canola oil was

awarded the American Health Foundation's "Food Product of the Year" in 1987, and has also been awarded a "Product Acceptance" Award by the American College of Nutrition. The health benefits of canola in a variety of products bodes well for its future in the American market over the longer term.

CONCLUSION

Over the next two decades, natural resource industries can not only continue to provide an economic foundation for Alberta, but they can also continue to act as a dynamic force for development of a wide variety of related and indirect economic activities. While some information-age industries in Alberta may well take on a life of their own over the next decade, it is likely that many will continue to be dependent, in part or primarily, upon demands for their services emanating from Alberta's natural resource industries. A realistic and viable economic strategy for Alberta must be cognizant of this fact, and make sure that the province's resource industries remain healthy and dynamic, and are treated within the context of the international competitive environment within which they exist.

The key to maintaining and enhancing the Alberta economy is recognizing the global marketplace that determines the health of Alberta's resource industries. The Alberta economy is dependent upon trade, which means access to other countries' markets, and the provision of quality and price-sensitive products are important. This in return requires a skilled workforce, efficient management practices, and up-to-the minute information. All of this sounds awfully familiar, even basic. It is.

This does not mean that things will fall into place if we keep doing business as usual. This has not been the case over the past twenty years. All segments of Alberta's economy have adapted to change and even, from time to time, dramatically altered their operations. The petrochemical industry is a major component of the Alberta economy because of foresight and a concerted effort on the part of a wide range of Albertans.

Forestry is becoming a significant contributor to the Alberta economy because a large number of people have, and are still, contributing to the development and growth of that industry.

Cattle exports to Japan may become a major contributor to the Alberta economy in ten years. It will only happen if a large number of Albertans make significant contributions to technological improvements, marketing strategies, transportation processes, etc.

Natural resources are the key to Alberta's future. They are what got us to where we're at, and they can continue to act as a major engine for economic growth. This will happen only if policy makers "keep their eye on the ball" and recognize that future economic growth is based upon exactly the same principles that resulted in the economic growth Alberta has achieved up to this point in our history. In sum, a cliché often used by insightful businessmen seems to apply — "Don't short your winners."

Specific Challenges for Alberta: Opportunities and Constraints Toward a Knowledge-Based Economy
Thematic Speaker: Dr. David McCamus

In a very real way this is an emotional experience because in a very real sense we, as Canadians, are discovering ourselves in the midst of a very difficult time for this country. Not just an economically difficult time, but a politically difficult time. We are failing to accomplish our objectives, and we realize that it is now up to us. The great mistake we made in this whole prosperity game was to ever take it for granted. Prosperity is, in fact, a very fragile thing, and we have to respect it as something that we all have to focus our attention on, and concentrate on what is important.

I've had the unique opportunity to participate in a number of gatherings like this; in fact, some were stimulated by our own work at the federal level. We have held a series of regional conferences; in addition, we have had over 180 community meetings which have given useful feedback to us in terms of input. We have 16 sectoral groups and some other industry sectors reporting to us doing special studies on their own industries and what it is going to take to be more competitive internationally. And we also had some special meetings for people who find it difficult to participate in these kinds of meetings so that they could talk to us in their own way. We just had one of those in Vancouver for two days with the Aboriginal people, and it was one of the most inspiring session that I have ever been at in my life.

What are the strategic issues? I've spent my life in business, and I've done a lot of work on strategy and innovation. But to me, whenever I launch forth into some kind of exercise like this, I want to know (and what the team wants to know) is what are the gut issues that we are trying to deal with. It seems to me that there are at least seven, and there may be more.

The first is the renewal of confederation. Overriding all of this discussion is the whole question of what kind of a Canada do we have and do we want to have. Because the fact is, unless we keep this country together, any strategy focused on prosperity is going to have to be changed dramatically from the current context. The thing that is emerging in my opinion, and this is being reflected back to me, is that Canada really is different from most countries that you think of around the world. And what is different about it is that Canada is a country that is based on individualism and family, and then to community, to province, to the nation, not the reverse. This is not a monolithic nation culturally. We do not all share the same culture, we don't all necessarily share the same traditions. But what we do share is the fact that we are individual people here to pursue our destiny. We guard that sense of independence very dearly. That is very close to our heart and what we are worried about is that somebody will try to interfere with that. So the renewal of confederation is occupying an enormous amount of concern and time in everybody's mind. In fact, I would argue that it is really draining the energy of our whole political system at the moment and forcing it away from dealing with some of the tough issues that we are going to be talking about over the next few days. Your own Premier, I am sure, is spending most of his time this week on that very subject.

The second issue is the restructuring of our welfare state. Another great belief and value in Canada is our willingness and desire to look after those who cannot look after themselves. However, our welfare state is starting to crumble. And it is not sustainable. The reason it is not sustainable is because we are trying to share incomes and not share opportunity. The whole issue of inclusiveness is not just a moral issue,

it is an economic issue. You will not succeed when the best unemployment rate you are able to achieve in the biggest economic decade of our existence is just under 8 percent and that does not include whole groups of people including Aboriginal people.

Third, we must restore the fiscal balance. Here we are struggling with the debts of the past instead of investing in the future. Canadians are upset and outraged. Furthermore, they do not believe that they were always told the whole story. It is not good enough to come along and say "didn't you realize that there was an accumulated deficit"? People do not forget and forgive.

Fourth, we must move to a learning society where learning is the focus of our life. We must have better alignment between working and learning and, conversely, learning and working. We must see those begin to come together in a much more effective way.

Five, we must expand our job creating capability. This is the fundamental flaw of just talking about competitiveness, because it does not account for everybody. Canadians do not think that way. They do not think that it is all right that some people are rich and some people are poorer. Keep in mind that we are a very special people. We are here to develop ourselves, our families, our communities. We have got to find a way of expanding our job creating capability for our society.

Six is reform of government. To me, this is the most profound strategic issue on the minds of Canadians. There must be a new relationship, a new partnership. Not a master and servant relationship. Mussolini once said that "after all, democracy is a temporary dictatorship. All I did was make it permanent." Whether he said it or not, it is not a temporary dictatorship, and we have to make that clear. We have to move away from handouts to rewards; it must be client driven, it must be open, it must be responsive. We need a new habeas corpus. We need a new contract. And I think that what you are doing here over the next few days will do more to make that happen than any other single thing that you could do.

Seven is environmental sustainability. This is a wall that is going to stop dead the whole march of mankind if we do not address it. By the way, it is a huge opportunity, particularly for Canada.

We must make a clean break with the past and resolve, all of us, to commit to a much better future. We need a new strategy, and it must be made by Canadians for Canadians.

OK, what kind of strategy? It is one that focuses on quality not just quantity of life. I hear that theme over and over again no matter where I go. I was in Halifax yesterday and I had people lined up to tell me that we are not just talking about being rich. That is not what we are talking about. We are talking about quality of life.

It has to be sustainable in every dimension, not just environmentally sustainable, but sustainable economically. In fact, you might say that it has to be reproducible; it cannot be an end game. It must be a strategy that creates its own future. It has to have a richness that we can see through, not just to the next round of economic gain but through the long term.

It must be capable of providing the comprehensive social services that Canadians demand. It must include all Canadians. It sees the global expansion of the economy around the world primarily as an opportunity and, only by default, as a risk. This is, after all, a search for values. There are many ways to build a strategy. There are a lot of examples around the world of pretty successful strategies. But what we need is one that fits us, that is tailored to our particular collective personality. Believe me,

there is a collective Canadian personality. The values that have been expressed here today are not dissimilar from the values expressed in Vancouver on the weekend and in Moncton in our major meetings there. It came through in Saskatoon and I am sure it will come through in Toronto on Saturday.

Creating opportunities for Canadians by Canadians, means innovation. I was delighted with Don's report this morning, because you would think that we were reading from each other's notes along the way. I agree that competitiveness is just simply not the right term. It is important, there is no question about it, but it is not sufficient. The example given to me in my travels is like saying the basis of soup is hot water, which is undeniably true. But a bowl of hot water is not soup. What makes hot water into soup is the endless creative ingredients that one can put in to make it delicious. Today people are still trying to find new, creative ways to make soup. That is innovation versus what is considered competitiveness, and to me it is the creative energy that goes into it. The other is the sports analogy: if you are going to run the mile race in the Olympics, you have got to be competitive, you have to understand your competition, etc. That is competitiveness and I agree with it. On the other hand, in business we do not just do that — we also change the name of the game. The real way to win in business is to do something that other people cannot do, no matter how hard they try. To me, that is another way of looking at the difference between competitiveness and innovation. Innovation is something that we know a lot about. It is something that is the preoccupation of companies like Xerox and IBM, and I'll bet many of the people in this room are innovators in one way, shape or form. The thing that is missing is the concept of the market. And that is what drives innovation — not just capabilities, but markets. It is the marriage of those two, taking what we know how to do and finding who cares. I just read the other day that ATCO is selling portable buildings to some of the emerging countries. Instead of selling two by fours, we are selling housing. Is there anything around the world that people need more than housing? So innovation is something that you can stimulate. It is not just a random thing.

It requires a lot of capital, and unfortunately we are diverting a lot of our capital out of the game. We are parking it supporting government debts. The prime role for the cash flow of our country is to invest in new job creating opportunities. When I was a young lad buying a house and all that sort of thing, mortgage rates were 6 percent; 4.5 percent was what you got in a savings account. If you wanted better than that, you invested in the stock market. And everybody did and that is what built a lot of the companies out there today. They were built during that time and that is when they got most of their capital.

Today, an entrepreneur has a hard time getting real capital in that sense. We have got to change that.

We also have to have rewards. We cannot go on forever taxing business and offering them subsidies on the other side. We would be much better to get out of the subsidizing business entirely and leave them alone to get their own capital. So there are things that can be done. It is not just a big confusing muddle. When you start to think about the things in the right sequence, in my opinion, the options start to fall out very crisply.

I would like to now move to information technology. Information technology to me, and again I could be accused to be biased in this commentary so I accept that accusation right up front and I am going to take full advantage that you know I'm biased so I will be overtly biased and tell you that I believe information technology is an enormously important dimension. When you get on the ground and you say, "How do you create opportunity?", I think a lot of it is caught up in the notion of information technology. I think that is particularly true of Canada.

What is information technology after all? First of all, it is obviously computing equipment itself. When I started out in the business, that is what it mainly was; we called it computing or computers or data processing. The main manifestation was hardware. And there was very little software, except that which you wrote yourself. Then that developed the whole business of generalized software. Today we are moving into the application-specific side. All kinds of opportunities for niche marketing that I think have market applications not only in Canada, but in North America and in the world. The Calgary area, and Alberta generally, is very good at this kind of thing, because of the investments you made at the University of Calgary many years ago in advanced computing systems.

The second area is telecommunications. Canada is a leader in telecommunications. Not only as a provider but as a user. We probably have one of the best reasons to be one of the great users of telecommunications because of distance. We have ISDN coming, which opens up, in my opinion, a cornucopia of new ideas, new capabilities and new exciting ways to develop Canadian ingenuity. So those are two areas where Canada has demonstrated its capabilities.

The third area is contracting. The area of total solutions. We have a number of Canadian firms that have already made a worldwide reputation for this kind of thing.

In fact, the current chairman of the Information Technology Association is Pierre Ducroe who is the president of DMR. The "D" in "DMR" and even Systemshouse lives on these days, and I think, is gaining greater strength. I think there is a lot more to that whole business environment than even I thought there was. I think that it is an enormous opportunity to go to emerging countries and provide total solutions. Provide them with the total health care system, for example, the kind of thing that Ross Perot did in Iran before they closed the place down. As you see these emerging countries coming into the world market, there is going to be an enormous interest in contracting the whole deal, not trying to reinvent major systems.

The whole area of database services is a huge opportunity, as is providing information technology services directly. That is the kind of thing that the data service industry has done for many, many years.

One of the interesting aspects of this whole development, and I don't think we should underestimate it, was when Mulroney was in Russia a number of years ago and Gorbachev was still running the place. They were talking about the situation in Russia and Gorbachev said to Mulroney, "You know, you have to realize we missed the whole chip revolution." In fact, there was a time when the Russians said that we are going to bury you. But that was an awful long time ago - back in the sixties. They were toe to toe with us. From a technology point of view, in fact, they were ahead of us.

How does it apply to our strategy? We talk about our strategy of creating opportunities for Canadians — how do we do it? First, it is an important industry in its own right. If you believe ITAC, and I do, it is one of the most important industries in Canada in terms of gross national product and employment, etc. Once you include both the computing and telecommunications side and important worldwide companies like Northern Telecom, it is already an important industry and there are tremendous opportunities. However, it's even more important in its enabling effect. This is one of those industries that not only has a tremendous value in its own right, but has even more value in the hands of the rest of the system. It affects literally every activity in our economic system.

Therefore, there are really two dimensions to the potential of the Information Technology Industry and we should account for both in our discussions.

It seems to me for Canada one of the most important things that you have to consider when you are thinking about information technology is distance.

If you go back to the beginning of this country, the great rally cry was, "How do we bring this country together under the railroad system"? which is the great ribbon of iron that was to bind us together. Is there not the same opportunity for us, is there not the same need? As we look at a new democracy, a democracy that is a consultative democracy, what about the electronic townhall meetings, as an example?

What about binding this system together through modern technology? What would that mean to a country like Canada? I think it means that we would no longer suffer some of the disadvantages of being such a physically separated country, which is one of our great problems in terms of keeping this country together. I am convinced that one of the most important reasons we have these problems is that people do not know each other in this country.

The other dimension of information technology is making knowledge work harder and faster. How long does it take before everybody knows what one person knows in our society today? It takes an enormous period of time. If you can talk about learning organizations, then you can talk about learning societies. One of the most important ways you learn is by being exposed to new ideas and having people build on other people's ideas. To me, it has that tremendous capability of being able to connect people, to throw ideas out and have people respond to them in a very rapid sequence of events. What about learning itself? We talk about inclusiveness being a key value in our society, and a key economic issue. But what is more important in that battle than equal access to knowledge and information? Let us think of the Aboriginal peoples who are not comfortable, perhaps ever, in learning in a white man's society. How can we bring learning to them? How can we take places like Newfoundland, the extremities of our society, and make sure that they have access to learning as does everybody else? Is it the way to do some of those things?

Research networks, centres of excellence, a Canadian idea in essence, a Canadian solution to a difficult problem. How do you create the critical mass in research and development? What better way than to link people. If you can shrink distance and shrink time, then geography does not become a barrier. How can we create pockets of learning, technology feeding stations without having to agglomerate people?

Preventive health care. How do you disseminate know-how and knowledge more rapidly and more broadly? How do we solve things like the health care system? We talk about preventive health care. How could information technology aid and abet the cause?

What competitiveness means is low cost. It means doing the same things other people are doing but doing it better, doing it with higher quality, doing it right the first time, eliminating waste and doing it more efficiently. It has an important role to play in doing things right and getting things right.

Environmental technology. People talk about how important the environment is, but we are still driving the same type of automobiles and we are still doing things in the same way. Unless we change technique nothing is going to change. I am a great believer that no idea is worth anything unless somebody is doing it. How do we move this environmental issue from being a conversation to being a reality, and beyond that to being an economic advantage?

I would like to say that the most important thing today is that we want to have some free thinking. We want to build on each other. Don't be afraid to put ideas forward that you have no idea could ever be done or some might consider ridiculous. We need ideas that will make a difference — some breakthrough ideas that are going to make an enormous difference, and then challenge ourselves to pull them off.

Finally, here is one of the many vignettes that I have picked up in my travels. I heard this the other day from a man who is a noted visionary, a Hawaiian aboriginal. He made a statement that really appealed to me. He said that you really can create your own future. In fact that is all you can create because the past is dead and the options in the present are mostly gone.

We have enormous talent in this country and you are a great example of it. We can create our future, we must create our future. Not just for our sakes, but for our children and our grandchildren.

Specific Challenges for Alberta: Opportunities and Constraints
Training, Education And LifeLong Learning
Thematic Speaker: Ms. Caroline Pestieau

My challenge here today is to make some of the findings of the Economic Council's recent study, **A Lot to Learn**, useful to you as we look together at the possibilities and constraints facing us in the 1990s and into the next century. I'm going to try and do this in four steps. First of all, I want to review the Canadian and Albertan education systems and see what they promise us. Second, I will look at what we can expect if we continue with the status quo. Third, how can we change it and, finally, how far-reaching are some of the changes we will need to make? I'm going to start off with the Canadian scene and then zero in on the Albertan experience.

There are three strengths of the Canadian education system when we compare it with systems in other OECD countries.

One is that Canadians have an average of 12 years of schooling — one of the highest in the world. Second, there are no specific gender differences in education levels. And third, access to higher education is significantly greater than in most other countries of the world.

But there are a number of weaknesses. I'm going to be concentrating on the problems in high schools and colleges and in training (Figure 1). These findings on functional illiteracy and inadequate numeracy from the Statistics Canada Literacy Survey of 1989 may be known to many of you, but nonetheless they bear repeating. "Not fully literate" refers to people who, for example, can't read a simple newspaper article; "not fully numerate" to people who can't choose two articles from a catalogue, add up the cost and calculate how much tax they have to pay. What is particularly worrying is that while in the older group, (25-34 years) there are just over 20 percent who are functionally illiterate and nearly 30 percent who are functionally innumerate, in the group that has recently left school (16-24 years), we find an even higher level of illiteracy. We now know that if we continue as we have been doing in the past, we are going to be releasing one million more young people who are functionally illiterate onto the labour market over the next 10 years.

This overhead (Figure 2) illustrates the results of one of the very few tests that has used the same measures over time. The white bars show the 1966 results and the black ones the 1991 results. There was a significant decline in performance after 1966 followed by an improvement in 1980, but then performance again declined.

We note a particular weakness in reading and language skills. This is most worrying. Please note that I am not knocking teachers. We all recognize that teaching is much more difficult today than it was in the past.

A third indicator is the drop out rate. There is a lot of talk about drop out rates from high school. If you look at the Canadian rate, it is about 30 percent. If you look at Alberta, and count those who have gone back to school by the age of 20-21 years, it is about 16 percent. It's not the numbers that are important but the reasons why people drop out. The reasons most often given are boredom, the irrelevancy of the curriculum, and the fact that young people would prefer to work.

Leaving high school before the end of grade 12 would not necessarily be a bad thing if we were sure that these teenagers were still learning. But we are pretty sure that they are not. Some become unemployed, others may find work; but remember that the majority of Canadian firms have no formal training program. Teenagers who drop out of school today generally stop learning.

You might hope that they would go to into an apprenticeship. But our apprenticeship programs are woefully out of date (Figure 3). Look at the distribution of employment at the end of the 1980s and the distribution of apprentices, by occupational group. Only about 6 percent of Canadians work in construction these days, but about 52 percent of apprenticeships are in the construction trades. On the other hand, if you look at service industry, over 70 percent of Canadians work in services but only 8 percent of apprenticeships are in services.

The average age of Canadian apprentices is 26 years old, while the average age of German apprentices is 17. The fact that ours are so old suggests that they came to apprenticeship as a last resort. But when you are in your late 20s, it is tough to live on the kind of wages that apprentices earn, and many do not finish their training.

The drop-out problem is a problem of transition from school to work, and Canada has one of the worst records in this regard. The transition is haphazard, by trial and error. We give very little assistance to young people as they take this important step.

I would like to turn to Alberta for a moment. Alberta is doing much better than the rest of Canada according to many performance indicators. One example is science achievement (Figure 4). Tests of students in their last year of high school show Alberta students second only to those from B.C. In the 1991 tests, Alberta students were the first in Canada. Alberta spends less on school administration than the other provinces; the role of its community colleges is better articulated; there is greater transferability between community colleges and universities here than in most other provinces; there are some excellent apprenticeship programs, for example at NAIT; there is a movement toward apprenticeship in the service sector not seen in other provinces; the RAP program (Registered Apprentice Program) for high schoolers looks excellent; and there are some interesting drop-out prevention programs. So in some respects Alberta is way ahead. Nonetheless, Alberta's education system shares problems with the rest of Canada.

I summarize these problems in this way. On the one hand our curriculum is not demanding enough for the best student. The science results look good until you look at the rest of the world (Figure 5). One of the reasons why we don't do as well as we might is that our curriculum is not strong enough. We are undernourishing our best students. On the other hand, the needs of the non-academic students are neglected. So in a sense we have the worst of two worlds. If we continue this way, we are threatened by two related dangers: social polarization and lack of competitiveness.

WHERE IS THE PRESENT SYSTEM LEADING US?

The Economic Council did a study a couple of years ago entitled **Good Jobs, Bad Jobs**. It showed an increasing share of jobs in the high earnings range — stable, well-paid jobs offering training and the opportunity to build up a pension. But also an increasing proportion of jobs in the lower range that we called "bad jobs" because they offer no access to training, no security and insufficient income to raise a family (Figure 6). (It is interesting to note that those who get training when they are adults are overwhelmingly those who have had a good education when they were young.) There is a danger to this pattern that the Americans call "the declining middle" — a diminishing middle class accompanied by polarization towards the creation of an economic elite and a large underclass. I did not hear the creation of an underclass in Alberta as part of your vision. Indeed, we must avoid it at all costs.

Job polarization is related to education (Figure 7). Here we look at earnings in terms of years of schooling and we see that the more years of school a person has, the lower his or her likelihood of unemployment and the higher his or her average income. It is important to realize that school does pay off. We should not be fooled by the occasional Ph.D. that we meet driving a taxi.

Let's turn now to loss of competitiveness (Figure 8). In 1950, Canada's level of manufacturing productivity was right up behind that of the United States. (Other countries are compared to Canada which is at the 100 percent mark in this figure.) But as time goes by, we are being overtaken by one country after another. One consequence of this is that our share of world exports is falling.

The decline in Canada's share of world exports is partly caused by our failure to compete. The Council did an analysis of the reasons why Canada's share of world exports is declining. (Figure 9). It is important for Albertans to notice that reliance on slow-growth products such as agriculture and petroleum (in the 1980s) is not the most important cause. Much more important is "ability to compete." Canada's weaknesses here are related directly to education. "Ability to compete" refers to responsiveness to change, flexibility, ability to introduce new technology, ability to get rid of middle management and give responsibility to shop floor workers. Only a well-educated work-force can compete in the 1990s.

The message to get across is that we are faced with choices. At an individual level, people must become skilled or accept low wages. At a collective level, we have to educate and train or we are going to see Canadian and Albertan society destroyed by social polarization and failure to compete.

DIRECTIONS FOR CHANGE

First of all, the education system must be comprehensive and address the needs of all students. I'm emphasizing high school education here. We must devote at least as much attention to the majority of students who leave the system at the end of high school as we do to the minority who continue on to further education. This seems obvious but it isn't happening. Remember that many of the young people who leave formal education after high school have already opted to work long hours and weekends and evenings while they were at school. They are not going to be kept in school and interested by further dilutions of the academic curriculum. They want a curriculum that is relevant.

We suggest five ways of improving the education offered to non-academic students. First, we must strengthen the educational attainment at the elementary level so that our young students have really good cognitive skills — problem solving, literacy and numeracy. I'm not suggesting we encourage them into work experience before they have mastered the basics. Second, we must upgrade the vocational programs. At present, only about 10 percent of Canadian high school students are in vocational programs. In many cases, unfortunately, these are holding tanks for kids who don't know what else to do. This is unacceptable. Third, we have to revamp and expand

the apprenticeship program. Fourth, we should expand co-op programs. I will come back to that in a minute. Finally, we have to provide greatly improved counseling. It is shocking to discover how many counselors have not spent time in a plant, a refinery, a business office or a government office, in the last ten years. The work environment has been revolutionized but the counselors don't know what is going on.

The Council suggests using partnerships (Figure 10). We believe that this could be the answer to the German apprenticeship system. I invite you to note the degree of involvement that we are talking about here. Some of it will be laborious and time consuming; for example, work terms for high school co-op students and work experience for teachers. I firmly believe that these are the kind of partnership activities that have to be undertaken systematically and sustained over time.

A second direction for change is to recognize differences. Not all schools are the same and those parents and families who take the trouble to choose schools for their children usually take more ownership of the education process than those who do not. Schools that have an ethos usually do much better than schools that do not. The literature on "effective schools" in many OECD countries confirms this. To be able to choose, parents must be able to know what the different schools are doing and how well they do it. This means testing, and reporting on test results. This is a big problem for many people. Again, in Alberta there is more choice in the public system, for example in Edmonton, than in many other provinces.

A third direction for change is to professionalize or reprofessionalize teaching. Teaching is often referred to as a "careerless career," in that teachers reach their maximum earning levels fairly early in their careers and after that, promotion is based on seniority. It depends more on union bargaining than on the quality of the teacher.

The Council suggests that there should be three categories of teachers: instructors, career teachers and lead teachers. As a person progresses from instructor to career teacher and career teacher to lead teacher, he or she would get more responsibility and receive more pay. Thus, we would get rid of the ridiculous situation that exists at the moment where to get advancement, you have to leave the classroom. This pushes a lot of the excellent teachers out of the classroom into administration. We also suggest facilitating transition out of teaching for those teachers who are burnt out or fed up, or no longer like kids, etc.

A fourth direction for change is to make the system responsive. That is to say we have to recognize that not all kids come to school ready to learn. If school boards have any extra money, we suggest it should go to things like Head Start programs — programs which focus on making sure that the children who come into the classroom are ready to learn. Teachers should not have to introduce them to English or French and to communicating with others. But there are a lot of children who come to school these days unable to express themselves at all, even in very simple language.

There also should be a great deal more attention given to remedial work. Students should not move on from one grade to another until they have really grasped the basics. This means that there has to be more attention devoted to mentoring by teachers, volunteers, parents or older students, and fewer choices in the curriculum for those who have not yet grasped the basics.

A fifth direction for change is towards a system that is relevant in the sense that there is more emphasis on math and science in order to reverse the recent declines in enrollment in both the colleges and the universities. Declining enrollment is partly due to students' lack of high school preparation in math and science.

Adopting these directions for change together would give us what we could call a Canadian Model (Figure 11). The key elements are choice of school, a core curriculum that ensures all students develop the basic cognitive skills, frequent diagnosis, remedial attention, a balance of vocational and academic education so that we give at least as much attention to those who are not academically oriented, integration of school and work, and clearer signals from employers.

FAR-REACHING CHANGES

Adopting such a model would require major changes in our value system. We have to give much more attention to learning. One example is that Canadians, especially dads, spend a lot of time helping their kids with sports. Maybe they should spend at least as much time helping the kids with school work. Another example is in Japan where families have very small houses and very little space. They try to give every child a quiet space to study and to make sure that every high school student has a desk where he or she can work and keep their homework and school things. That is a priority in Japanese families, I'm told. Canadian families' priority is often to ensure that every child has the right sports equipment. Whether they have the right learning environment seems less important.

I also think that we have to rethink teenage jobs. It has been a great tradition in North America that teenage kids go out and get a job. This is part of learning to be an adult and developing the entrepreneurial spirit. I'm suggesting that this may not be a good thing if that job is not related to learning. In Germany, an employer cannot hire anyone under the age of 18 if that employer does not offer continuous training. If this happened in Canada, a lot of teenage jobs would disappear. Teens would not be able to buy their tapes and their clothes and their sporting equipment. They would go back to being dependent on the family. Should we reconsider the whole idea of pushing teenage kids out to work as necessarily a good thing?

Employers have to signal their present and future needs. Too often in Canada, when employers hire people they don't expect to keep them long so they don't care whether or not they have the capacity to learn new skills. I recently heard about a company in Montreal that wanted to open a new plant. It found that most of the people who had seniority, and had to be kept on because of the collective agreement, could never learn computer skills. So they decided not to open that plant in Montreal. On the other hand, I have heard of forest product companies that are refusing to hire anyone who has not got 12th grade or equivalent. Not all their workers need this level of schooling today, but if the new recruits are going to stay with the company they are going to need a 12th grade education to operate complicated equipment in the future. This is the kind of thing that employers, if they are serious about learning and competitiveness, have got to think about. Altogether, we need a much greater commitment by employers to education and training in Canada.

In some of the documentation prepared for the Premier's Conference, I noticed suggestions that employers put up money for education. That's a start, but I think a lot more is needed than that. They have to integrate counselors into their firms; they have to take co-op students; they have to help design courses — all of which is going to take time away from the business in the short term.

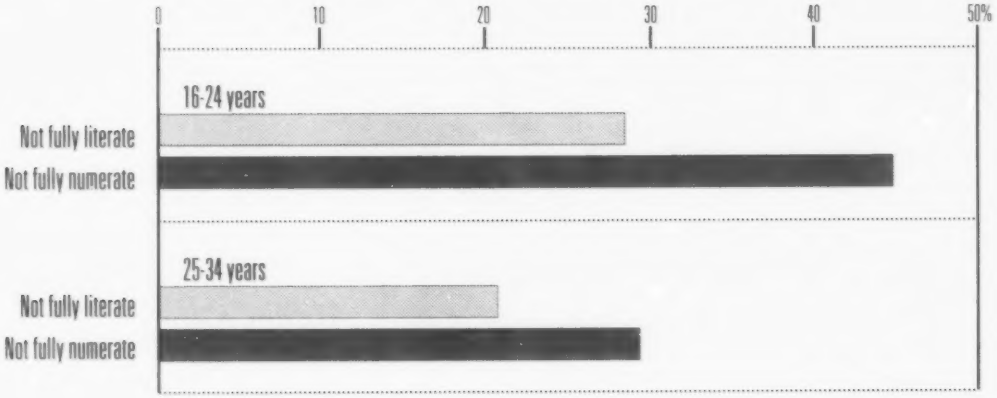
Canadian students are going to have to make earlier career choices. If the co-op, vocational and apprenticeship programs are going to be serious courses and not just something to keep the kids busy while in school, these are going to have to be courses that students opt for in ninth or tenth grade. This does not have to mean that they will be dead-end courses. It is interesting to note that in Germany, about two-thirds of the engineers came out of the apprenticeship system; they did not go to university. A quarter of the senior executives in large corporations came out of the apprenticeship system.

We also have to face the fact that there are going to be greater differences between schools. If parents are going to choose schools, there will be some schools that are never going to be chosen except by ignorant parents. Such schools could deteriorate to the extent that government would have to step in and close them down.

Finally, no one group can bring about these changes alone. It is obviously not the parents who can do it alone; it is not the teachers, nor the school boards nor the trustees nor the government nor the employers. We must adopt a set of targets, endorse them and all get behind them.

FIGURE 1

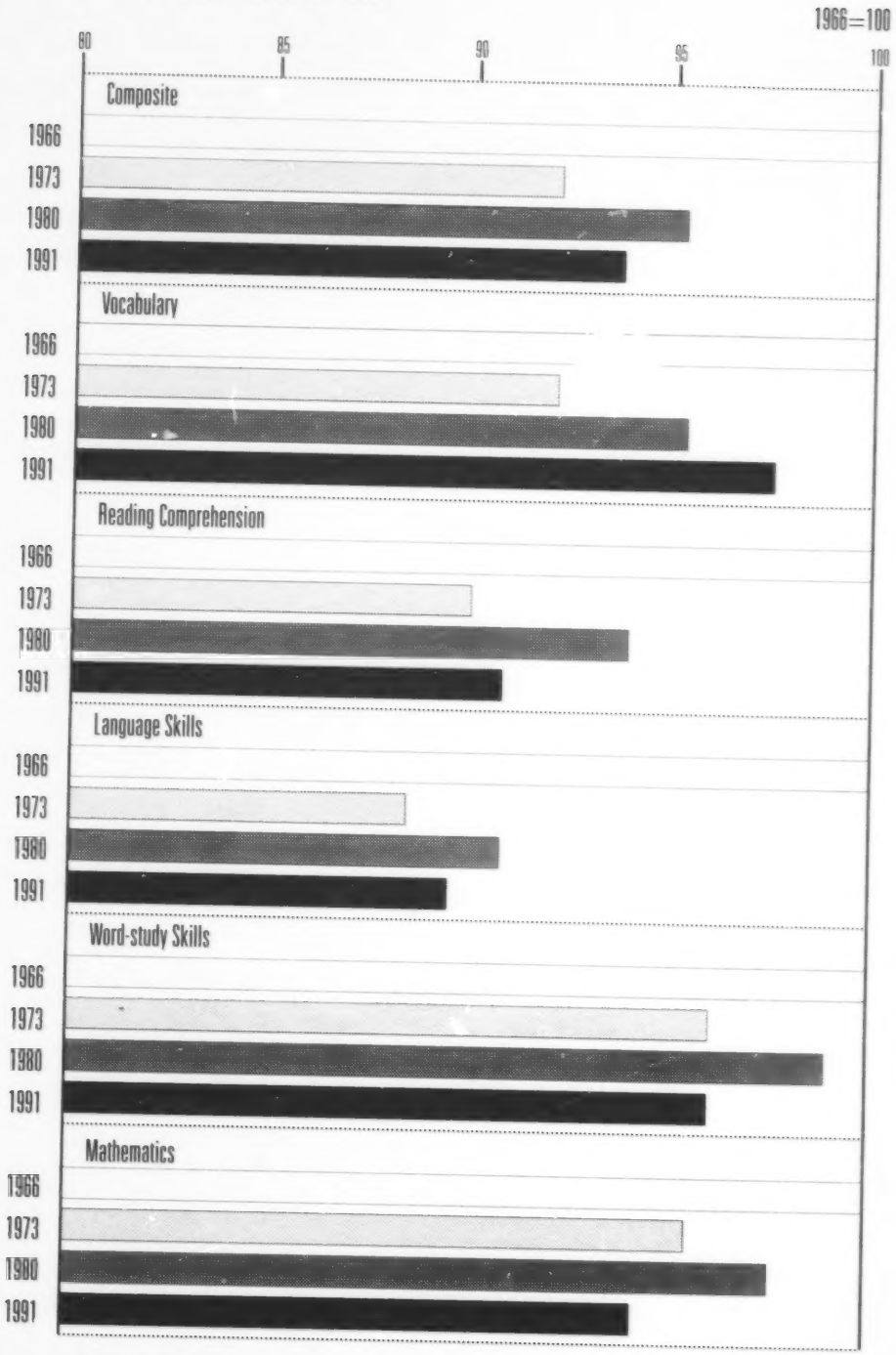
Not fully literate and numerate persons aged 16-34, born in Canada



Source: *Estimates by the Economic Council, based on data from Statistics Canada.*

FIGURE 2

Results of test of basic skills, in Grade 8 students, Canada, 1966, 1973, 1980 and 1991

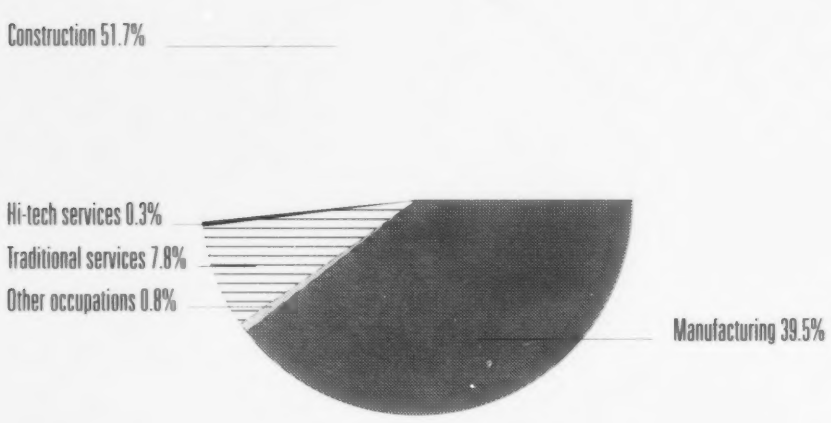


[1] English-language schools only, excluding those in Quebec.

Source: *Based on data from Nelson Canada.*

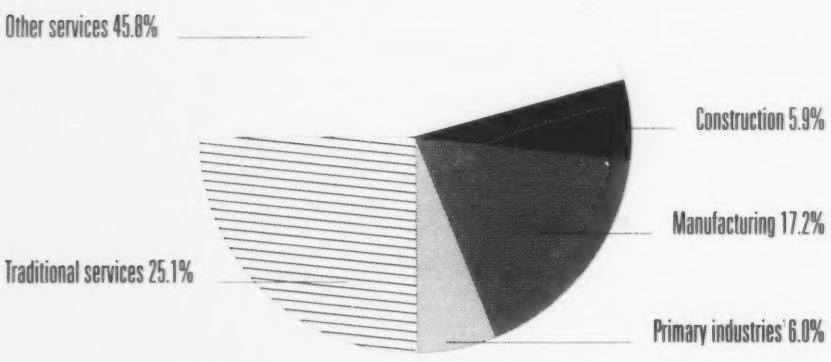
FIGURE 3

Distribution of registered apprentices by occupational group, Canada, 1988



Source: *Estimates by the Economic Council, based on data from administrative records.*

Distribution of employment by sector, Canada, 1988

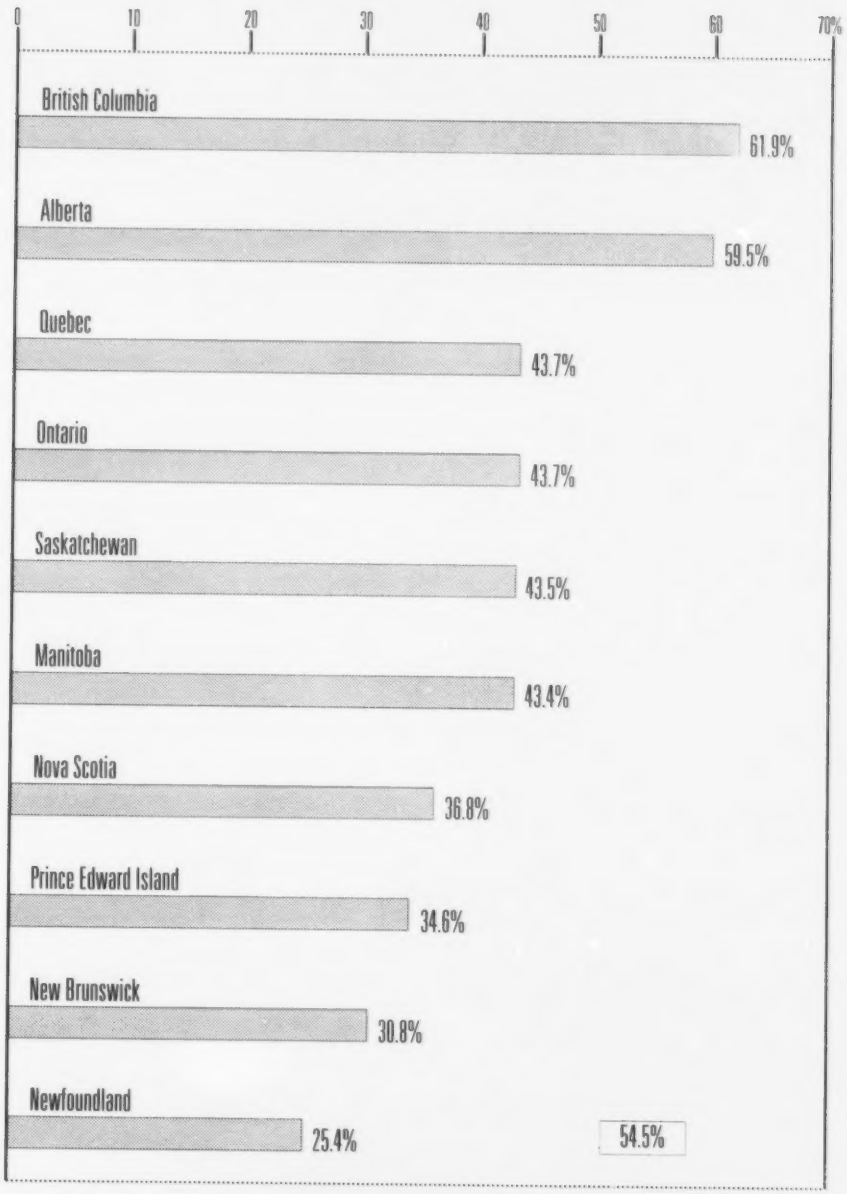


[1] Agriculture, fishing and trapping, forestry, and mining.

Source: *Estimates by the Economic Council, based on data from the Labour Force Survey, Statistics Canada.*

FIGURE 4

Science achievement at the end of secondary school, Canada, by province, mid-1980s

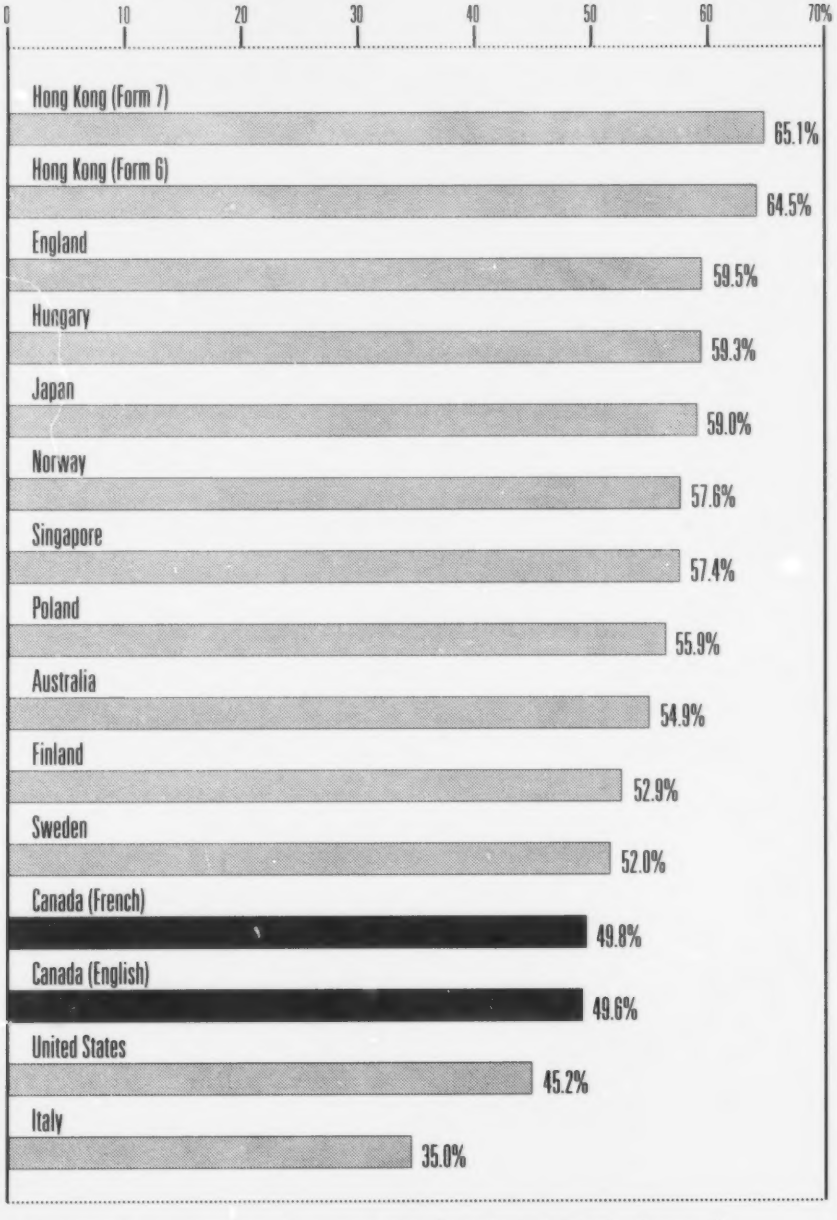


[1] The population measured here consists of students in the final year of secondary school with a strong scientific component in their academic program. The SISS results are adjusted for years of schooling and retention rates. The mean for the 15 "countries" (including two Canadian provinces and two grade levels in Hong Kong) taking part in the study was 54.5 percent. The test was administered over the period 1983-86.

Source: *Estimates by the Economic Council, based on the findings of the Second International Science Study (see Crocker) and on data from Statistics Canada.*

FIGURE 5

Science achievement, selected countries, mid-1980s



[1] The population measured here consists of students in the final year of secondary school with a strong scientific component in their academic program. The SISS results are adjusted for years of schooling and retention rates. The average (mean) for the 15 "countries" (including two Canadian provinces and two grade levels in Hong Kong) taking part in the study was 54.5 percent. The test was administered over the period 1983-86.

Source: *Estimates by the Economic Council, based on the findings of the Second International Science Study.*

FIGURE 6

The declining middle

% of labour force

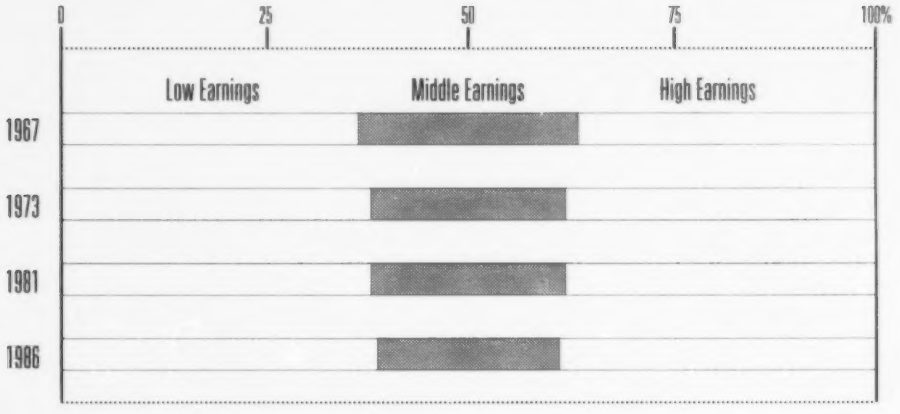


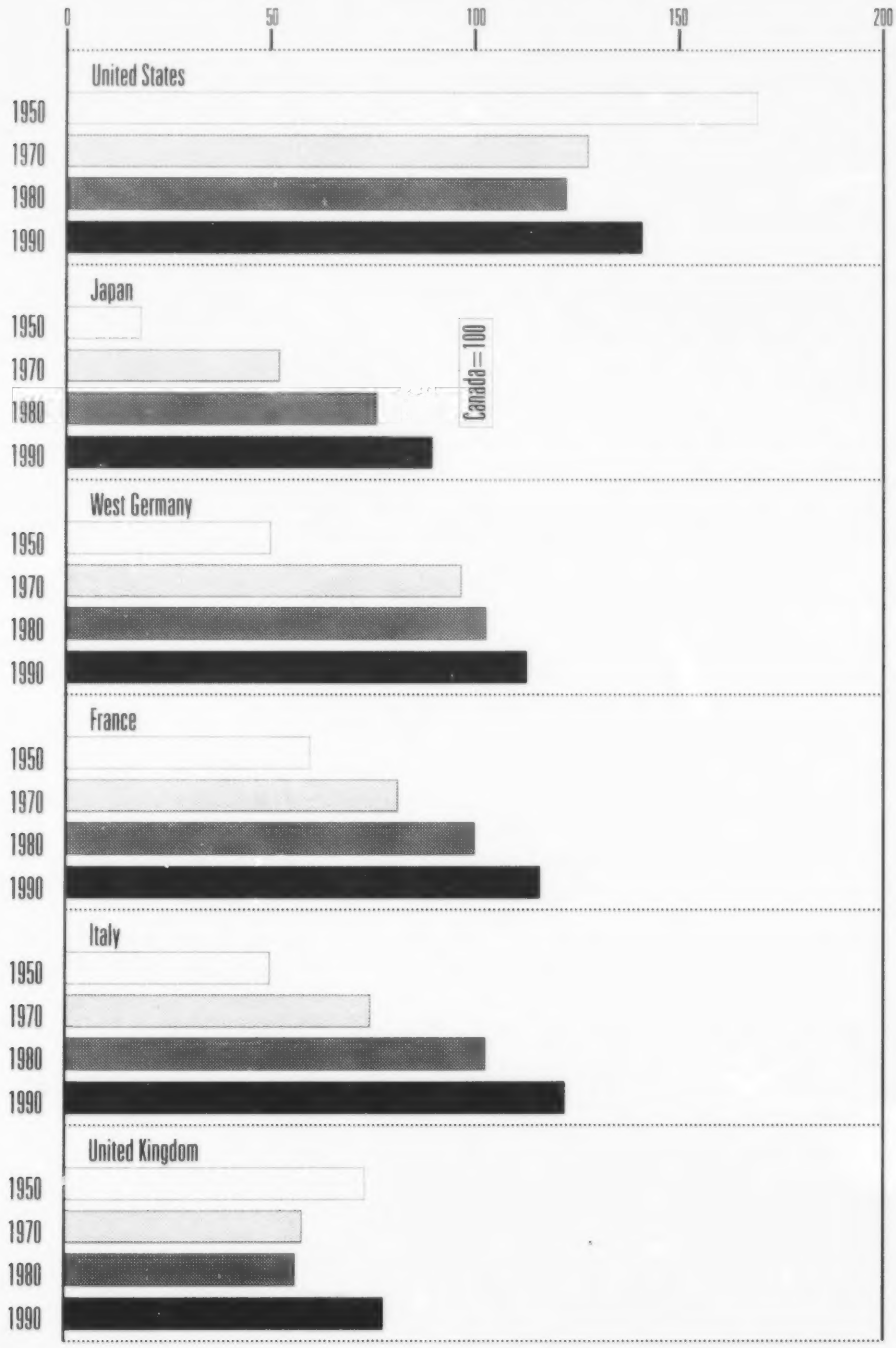
FIGURE 7

Distribution of individuals by average income and unemployment rate, by education and gender, Canada, 1988

YEARS OF SCHOOLING	AVERAGE INCOME			UNEMPLOYMENT RATE		
	Total	Male	Female	Total	Male	Female
	$			%		
0-8 years	14,900	19,200	10,000	10.6	10.1	11.7
Some high school and no post-secondary	18,700	24,100	13,100	9.1	8.7	9.7
Some post-secondary	19,000	23,500	14,300	7.4	6.9	8.0
Post-secondary diploma/certificate	23,800	30,300	17,900	5.5	5.1	5.8
University degree	35,200	42,000	26,300	4.0	3.4	4.0

FIGURE 8

Comparison of labour productivity levels in manufacturing, Canada and six other industrialized countries, 1950-90 (selected years)



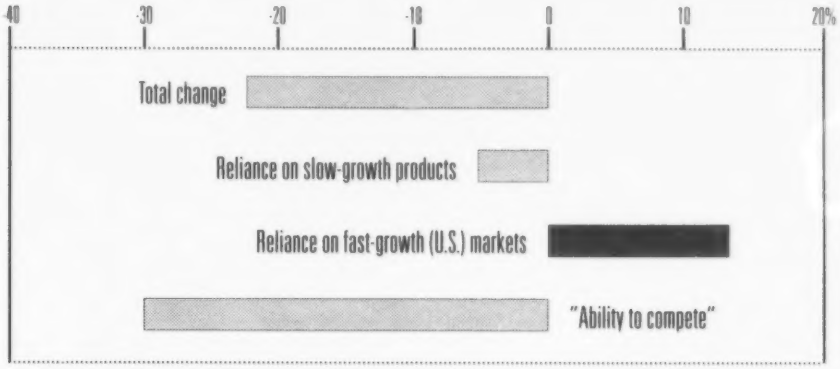
[1] Output per hour.

Source: *Estimates by the Economic Council, based on data from Statistics Canada and from the U.S. Bureau of Labor Statistics.*

FIGURE 9

Canada's share of world trade has fallen

Contribution of various factors to the decline in Canada's share of world exports between 1971-73 and 1978-89



Source: *Estimates by the Economic Council.*

FIGURE 10

Employer-school partnerships

INFORMAL CONTACT

- Employer visits to school
- Student visits to workplace
- Summer science camps

SUPPORT FOR CLASSROOM

- Loan or donate equipment
- Second personnel to teach
- Participate in course design
- Assist in certification of graduates
- Awards for superior performance

FORMAL CONTACT

- Work terms for cooperative education
- Adopt-a-school
- Work experience terms for teachers

FIGURE 11 A Canadian model

- Choice of school
- A core curriculum
- Diagnosis (testing) and remedial attention
- Balance of vocational and academic
- Integration of schooling and work experience
- Clear signals from employers

Specific Challenges for Alberta: Opportunities and Constraints Competing in a Global Economy Thematic Speaker: Mr. Ken Taylor

I find it intriguing, as a Canadian, to live in New York but visit Alberta frequently. Both regions have common values, but it is always surprising to discover the degree of distinctiveness.

Take for instance the difference of the nature of this forum if it was held in the United States rather than Alberta. President Bush would offer the voters a gentler society and then immediately spring into detailed comment. Whereas in Calgary today, even though this is not a political forum, I have been taken by the degree to which the seminar groups were debating matters of compassion, value, tolerance, and the need for a full participation of society with respect to Alberta's economic objectives.

The undeclared candidate in the United States, Ross Perot, talks about compassion but focuses his expression on the idealized hard-working, middle-class taxpayer. He modestly concludes that if you become a billionaire from that base, it is due to unique motivation and intelligence.

The Democrats, on the other hand, are having difficulty capturing the voter's attention unless it concerns personal problems and conflicts. Surprisingly enough, when the Democrats do talk about the economic future, many of them stress the need to return to basics — an ambitious public works program. What we have paradoxically is a high-tech society that stresses bridge building.

Moving about Alberta, I don't sense that the public has grasped the significance of the theme of our conference; that is, competitiveness in an international setting. Today's students graduating from High River are not competing against those graduating from Sudbury, but rather Manchester and Tokyo. Like it or not, we have a global community, so it is incumbent for us here today to spread the news about this new adventure.

Before embarking, we should look at what makes Alberta and Canada a treasured place to reside and make a living.

You have a flat inflation rate (achieved at some considerable cost), sound financial institutions, certain areas of competitiveness, location, resources, stable government, proximity to the world's largest market, superior secondary schools (if young people want to take advantage of them) and, finally, a good perception overseas. Canada is seen as having no imperialistic ambitions.

Canadians earned respectability overseas over many years, both during periods of global conflict and the intervening struggle for international accommodation.

As Albertans proceed towards 2000, you can count on your historic resourcefulness and resilience. I can't help but compare this to Kuwait, where I spent considerable time last year. Kuwait is superficially peaceful but sits within a region characterized by ill-will and ambitions. In a different setting, I returned last weekend from Yugoslavia where again, we have a horrifying conflict unfolding — conceivably 1914 once again. Here in Alberta, we of course participate in a significant (even if tiresome) constitutional debate. Nevertheless, comparatively speaking we benefit from a peaceful backdrop against which we shape our vision for 2000.

In advancing to 2000, take account of a current book by Lester Thurow, **Head to Head**. He cites the coming economic battles among Japan, Europe and America. One of the points he emphasizes is that for the invention of new products, you need to educate the 25 smartest percentage of your population. But he also said, however, if you want to be the cheapest and the best producer, you must educate the bottom 50 percent of your population. It isn't good enough to have an educated elite if you want to quote not the lowest price but the lowest cost. If you want to be the lowest cost producer, you have to have a technological society that is integrated and not educated piecemeal with two-thirds of the population marginal because they don't have the ability to involve themselves fundamentally in the workplace.

Another question: Are Alberta firms too small? What about size and the implications as the free trade agreement unfolds? Is size predominantly the key? I think most entrepreneurs would say that today's market, to a large extent, lends itself to the adaptability and flexibility of a smaller firm.

I happened to be for some years with a very large firm, a $17 billion company, and although our Chief Executive Officer, Ross Johnson, brought a dispatch that is only known from those coming from Winnipeg, turning the company was like steering the Kennedy aircraft carrier. It is very slow and cumbersome, even though he did practice a unique type of management. If you look at size in broader themes, Canada has only one manufacturing company that fits within a survey **Newsweek** magazine did a couple of years ago. **Newsweek** looked at international companies with a minimum of $3 billion in sales and companies that had at least 40 percent of their sales outside their home country. Only one Canadian company qualified — Northern Telecom — with sales of almost $7 billion and sales outside of Canada of 70 percent. So in Alberta when you look at yourselves you are, with the exception of some of the oil companies, more characteristic of the rest of Canada than you may think.

Given the need for innovative management of small companies, if you do groom young Albertans to be technologically capable, socially aware and ambitious, how do you keep them here? One example that caught my eye yesterday was written up in the **Financial Post** and featured a firm from Red Deer. The firm was one that I know very well — Safety Boss. This company was responsible for extinguishing a record number of 180 oil fires in Kuwait. I happened to be there, as I mentioned, during the time that the Safety Boss people were working. You recall Red Adaire was on the covers of **Time**, **Newsweek** and **Macleans**, but the group that was most effective was Safety Boss, a company that has offices in Calgary, Edmonton and Red Deer.

The President, Mr. Miller, was interviewed over the last few days and he said that business here isn't as good as he'd like it to be. He feels that probably he'll have to send his senior executives to Dubai where the opportunities are superior. But at the same time, he wants to remain an Alberta-based firm, and keep the executives in Alberta. Business goes where the market exists.

We are going to find that with tariffs going down and borders opening there must be a certain inevitability that North America, at least Canada and the United States, will feature the same mobility as Europe (if not Mexico, given the controversial nature of the U.S.-Mexico border). It is a matter of not only educating the young men and women who are going to be internationally competitive, but also, of course, having the infrastructure for attracting some of them to reside in Alberta for entrepreneurial as well as quality of life considerations.

As well as the workforce, Albertans have to take into account the federal government mandate in fiscal and monetary policy and external trade policy, which inevitably governs the competitiveness of firms in Alberta. Here you have a number of pressures bearing on Canada, and if you like, a number of challenges as to how to respond.

First, you have the "Save the World" Rio summit coming up next week. Although Alberta is well in the forefront of reviewing difficult environmental choices, there are going to be some policy initiatives forthcoming from Rio that may be quite difficult for Canadians to come to terms with. One would be the purported effort by the Europeans to try to introduce a carbon tax, which means a tax on largely gasoline and other oils which Canada is one, say, "offender." This was discussed at the federal and provincial levels and in fact, was not seen as an acceptable policy change.

However, if the Europeans do play this card, and if there is a degree of acceptance, unlikely as it may be by Japan and the United States, Canada will be caught in a very costly environmental issue not of its seeking.

As well, you have the clash of wills, north versus south, east versus west over income distribution. And finally, you have a Washington that wishes Rio would sink beyond the horizon. You are having not only an environmental summit, but another effort at a new distribution of income globally in which Canada, seen as a "have" nation, is going to have to take part.

Next are the global trade agreements with GATT front and centre. I would be intrigued to hear from you, since you know the agricultural industry very well, if you see an indication that the Europeans are going to open up the market somewhat by lowering support settlements in France.

Second, there is the U.S./Canadian, and now the North American Free Trade Agreement. According to the newspapers, Canadian public opinion is running 4 to 1 against Canada signing the North American Free Trade Agreement. Unfortunately, the fact of the matter is that Canada cannot afford not to sign. There is no future left for this country if, in fact, it doesn't engineer itself into an equitable position with respect to signing that agreement. I came back from Mexico several months ago (I'm sure that some of you have recently been there) and caught the euphoric feeling that characterizes Mexico these days. They have cast aside the alleged corruption of the 70s, and they've got an inspirational president who has ideas. Human rights may be a matter to offend our sensibilities, but that country has ambitions and one way or the other, Salinas is going to have the Free Trade Agreement signed.

Bush wants to go to the polls in November with that agreement for Congress on a fast-track basis. Whether or not it passes before the election isn't crucially important, but he sees that as something he would like to have as a progressive outward-looking President without necessarily having given anything away on the trade side.

He would also like to be able to go to the agricultural voters with a resolution of GATT. You have two elements in place. Then you only need to visit Chile to see your counterparts, those in government, those in business, who are pressuring the United States daily to become a member of some free trade incentive. If you have Chile in camp, next you have the Andean countries. Canada, as a western hemisphere country, has to make a move as a first step, that is with Mexico and the United States, or be forever lagging behind as the century closes with a Hemisphere Trading Zone.

Canada has membership as an international country of note, through the G7. Our Prime Minister by now is one of the senior members of the G7. He has the backing of his party for international policy initiatives, so I think you can envision the extent to which a personality can play a serious role in the G7. But, of course, (as you know always from the start) the rest have always thought it should be the G5; that the Italians and the Canadians are tacked on conveniently. So Canada is going to have to keep reaffirming its right to be a member of the G7, and to date that has been done by both successive governments in Ottawa.

What about foreign aid? Each year Canada's percentage of GNP going to foreign aid is decreasing. Now that may be a public choice, since it doesn't necessarily come up as a campaign issue. But in any event, whether we like it or not, as a country that used to be equated with the Scandinavian countries as a major country involved in international aid (some tied to companies, some not), it is now progressively lowering its terms.

We've got our membership at the UN. As a responsible member, we not only pay our bills, unlike some countries nearby, but on time. You've got a country that has been historically active in peace keeping but now is questioned with respect to its withdrawal from, at least in terms of troop deployment, NATO.

Against these pressures, those of you dealing with the international market for some time are taken by the change in Canadian approach in the markets. My first posting overseas was in 1960-1963 in Guatemala, when the visit of a Canadian executive was a cause for some celebration. That is not the case now, although one still doesn't see enough Canadians abroad. They never predominate in any aircraft, which in a percentage population number there is no reasons why they should. But at least you have Canadians who are ready, eager and able to take the risk and at least visit the market. Unless you are talking about tourism, nobody any longer visits the supplier.

You have to visit the market. You hope that you have your prices and standards in place, but frequently you are going to have to visit even though you're not that satisfied with your presentation.

You have a province that is recognized internationally as part of a country which is acknowledged internationally. And, as illustrated here, citizens are dedicated to try to do what they can to enhance that position. I think this is one of the messages that would bring it home to those young men and women who have an opportunity to see their careers unfold in an international manner. That is, their home may be in Alberta, but it is unlikely that their job or their product will find itself in Alberta.

The market is outside. It does not exist in a country or a province the size of Alberta. Albertans who are going to live here may find that they are going to make a living outside. To that extent, I think it is necessary to say that our conventional education is not good enough. It has got to be education more along the lines of some European countries. That French is available to, I think it is fair to say, most students

in Alberta if they so desire to pursue it. With the inevitability of a North American common market, I think Spanish should take some imperativeness. I don't know how you introduce these languages into an already challenging curriculum, but it is something we should think about. If our major trading partner next to the United States is Japan, certainly Japanese is another alternative. If you look at Europe and you see the predominate role that Germany will play, it leads us to think of German. What a mix of challenges and opportunities.

Alberta is your home. You have reason to be proud of it and by your participation today, you convey commitment of being able to contribute to its bright future.

Specific Challenges for Alberta: Opportunities and Constraints Environment and Sustainable Development Thematic Speaker: Mr. Ken McCready

It was really interesting to listen to those small group reports. Although there were some who said they didn't quite agree with the Round Table vision and wanted to re-write parts of it, what I heard was a very strong consensus in the direction of making progress on both the environment and the economy at the same time. At least in the long run.

As Natalia observed, and from what I observed visiting the various groups, it is all too easy for discussion to slip back into the either/or kind of thinking, especially around issues of "how are we going to get there in the short run." But in the long run, I think people intuitively, clearly understand that we have to "go for both."

And that's certainly where the Alberta Round Table got to very quickly. In fact, it got there almost in its first meeting, because a facilitator we were using asked two rather interesting questions of some sub-groups. The question "develop the economy for what?", was posed to two subgroups, and "protect the environment for what?" was posed to another two subgroups. And of course, all four groups came back with basically the same answer: that is, to deliver a higher quality of life, in the broadest sense, to our children and our grandchildren. That's the unifying aspect of them both, and the concept of sustainable development.

Now, I've had a number of experiences in terms of looking at these environment-economy linkages at the local, provincial, national and international levels. All of these experiences reached the same conclusion, and I'll just take one expression of it from **Changing Course**, written by the Business Council for Sustainable Development, which I had the pleasure of serving on. It's a group of nearly fifty CEO's from around the world, a third of whom come from developing countries. And it's a very diverse group from very different businesses, from different areas of the world, and from the two areas in tension, (North/South) in terms of economic issues.

Changing Course captured the notion of thinking ahead and including our future generations this way: "It takes no great leap of reason to assume that our offspring will require breathable air, drinkable water, productive soils and oceans, and a predictable climate, abundant plant and animal species on the planet that they share. Yet both political and business leaders are in the difficult position of having to make changes today, for the benefit of the long run, while working inside a framework of short-term incentives." Clearly, we're moving into uncomfortable places today and we face a lot of change. And I guess it's in order for me to share a bit of personal experience.

The first signal that I had of the strong forces of change was coincident with taking on my job as CEO of Trans-Alta. That was in 1989, a year when the environment shifted in public polls from 2 percent to 20 percent as the top issue for Canadians — a dramatic shift, a paradigm shift. In 1989, I thought I was taking over a business that was relatively comfortable, local, calm and stable; a good business, providing electricity to Albertans.

We had a good environmental record, we received awards on our reclamation efforts, we had no problem with acid rain and used probably the lowest sulphur coal in the world. Then, in this 1989 year of environment, the issue of global warming raised its ugly head. In no uncertain terms.

For me, my comfortable local company paradigm was shattered. In effect, we were globalized by the global-warming problem. When you think about it, greenhouse gas emissions have no local effect. They have no effect in Canada or North America. It's only at the global level that greenhouse gas emissions matter.

Our strategy as a company, for managing in this situation, was to embrace it: to look for new possibilities. We wanted to be part of the solution, not just part of the problem. I'm convinced that TransAlta, and other companies in Alberta too, are going to have to change. If we're going to serve our customers wisely in the future, in the year 2000, we will have to incorporate stewardship of the environment into our way of doing business.

The focus of change, for me, is sustainable development. My feeling for sustainable development, as it seems to be coming strongly from you too, is that it's a context; it's a way of thinking, a way of planning for action, that clearly calls for us to make progress on both the environment and the economy at the same time. It's a context like freedom and you don't define it. Like an engineering term such as efficiency. Ruben said it very well: "It's a declaratory kind of term like I love you."

The Alberta Round Table Vision Statements that you went through, I think capture the feeling of what sustainable development is without defining it. And I would not look for a definition beyond that.

This context that we're working within has clearly shifted us then, from that either/or kind of thinking, where it wasn't untypical for people to think that environmental protection could only be won at the cost of economic development, or economic development could only be pursued at the cost of environmental damage. That's not so. The new mind set is for going for both; we have the ability to pursue that progress on both the environment and the economy at the same time.

Stephan Schmidheiny, Chairman of this Business Council for Sustainable Development (BCSD), as early as 1989 said this: "The question is not who's going to pay for sustainable development, that is a question reflecting the old, defensive mentality of environmental protection, but how can business fully integrate the value of the environment into their operations, and thereby conserve the natural world for its future generations?" Maurice Strong, the Secretary-General of the Earth Summit meeting, upon hearing that speech, asked Stephan to become his principal business and industry advisor. Up to that point, there was little opportunity for business input into the Earth Summit Meeting.

Stephan formed the BCSD to help him respond to the mandate, and he decided to do it in a way that challenged in two directions. He set out to challenge business to self-examine its own performance at the same time as providing advice and perspective from the viewpoint of businesses to the Earth Summit.

Half of the report **Changing Course** is made up of case studies that demonstrate clearly just how much has already been accomplished by a number of companies in the world, which have made progress on both cost and environmental performance at the same time. Stephan took the approach that the most successful argument with business people, finally, is success.

Many of the case studies describe waste-reduction, environmentally positive programs already happening in business, already economically viable, already providing positive rates of return in relatively short periods of time. Yet there's much left to do.

Alex Kramer, CEO of Ciba-Geigy, is typical of the CEO members of BCSD, who lead very large, international, globally competitive companies. Alex said that a number of corporate leaders are convinced that it makes good business sense to secure the future of their corporations by incorporating the principles of sustainable development into their operations. They recognize that there can be no long-term economic growth unless it is environmentally sustainable. They seek to confirm that their products, services and processes all contribute to a sustainable world. They do this to maintain credibility with society, to create open dialogue with all stakeholders, to provide meaning for employees beyond salaries, and to maintain entrepreneurial freedom rather than invite regulatory coercion.

Now, clearly this requires different tools. Some of the tools will get us around current barriers, some will help us develop new opportunities. They are the focus of your next workshop. For now, I'd like to offer some observations on the partial contents of such a tool kit. Specifically, I want to talk about multi-stakeholder communication and harnessing market forces for the environment.

First, multi-stakeholder communication. Clearly, if we business people are to integrate sustainable development into our operations, then we have to do a much better job of listening to, understanding and communicating effectively with all stakeholders, not just customers, shareholders and employees.

In my experience in working with an advisory panel to our company, which was a broadly diverse group of people, the Round Table, a broadly diverse group, and the Business Council, a globally diverse group, the learning opportunities were coming at me fast and furious. In fact, I learned a good deal and so did my company. Also, I think I can very fairly say it changed me as a person, and it changed my company. And I think the members of the Round Table, and there are several here with us, would agree with me that they changed as people. We changed each other, because of the process that we were in and which, of course, is really creative. Great progress is made when you have the ability to truly influence one another, and thus trigger new ideas, new syntheses.

We set up an advisory panel in TransAlta, as I mentioned, which was made up of consumer advocates and environment advocates. Consumer advocates I expected would be mostly concerned with the cost of power, and environment advocates with our environmental performance. It turned out that consumer advocates were just as concerned about our environmental performance. We invited them to develop the company's environmental policy statements with us, and the result went far beyond what I would have imagined at the beginning.

Then we took the resulting draft statements to employee focus groups within the company, and asked them to review them. The interesting thing that happened was that employees made them even tougher. Our employees found it a real turn-on that the company was interested in sustainable development and wanted us to perform at a higher level than we had suggested to that point.

So I took the tougher statements to the board of directors of the company, and I did it with great confidence because I knew that our employees owned them and would make them happen. Within the company I don't think we've solved all the problems by any stretch, or even figured out all the things that we have to do, but we have taken a very important step by having a critical mass of committed people who want to, and will, make it happen.

This is the kind of process that I think is involved in a partnership. As was stated several times here, we need partnerships of government, business and other stakeholders, to build an enabling framework for business to efficiently and effectively implement society's goals.

I heard this theme throughout the morning, as well as this afternoon. We already have examples of successful partnership in consultation: the Round Table is one. And the Clean Air Strategy for Alberta is an outstanding example of what Albertans can do by getting together to pursue something in a multi-stakeholder way. That in turn helps the government "change course" toward sustainable development.

Second, let me now turn to harnessing the market in favor of the environment. I believe that pursuing both economic development and environmental protection at the same time means that environmental performance can be achieved at lower cost. Larry Ruff, when with the Ford Foundation, said it very well: "We'll make very little progress in solving environmental problems until we recognize them for what they really are, economic problems." And the forty-eight CEO's of BCSD said, "The cornerstone of sustainable development is a system of open, competitive markets, in which prices are made to reflect the full environmental as well as the full economic costs." Indeed, I believe that engaging the market for the environment is **the** key strategy for making sustainable development a reality.

Environmental skeptics have said to me, "Well, if the market really worked, we wouldn't be in this environmental mess in the first place." To which I say, the market has not failed — rather, the market has never been engaged. We haven't put a price on disposing of wastes out into the environment. Business skeptics say, "If we do that sort of thing, it'll hurt our competitiveness." This concern when addressed by the BCSD resulted in a strong position in favor of pricing the environment with three caveats, which were: (1) we maintain a level playing field, internationally; (2) that we've got to keep reading the science, because there is a perception of risk that is different in time and different between scientists and public; and (3), to start with modest charges, modest targets, and then make hundreds of mid-course corrections as we go, observe results and learn more. Rather than do nothing by sitting back and debating whether such-and-such a target can be done or not, move to action by starting modestly, and be prepared to make many mid-course corrections.

I have raised with my fellow businessmen this questions how can we, how can anybody in business argue against pricing of the environment? After all, there's nothing theoretical about environmental costs. They're called, by some, externalities to the operations of business and clearly, they're finally borne by all of society. Let's include those costs in the total cost of doing business, and then benefit from the burst of innovation that I know will happen to reduce those costs, thereby reducing our impact on the environment.

Changing course identifies three ways to internalize environmental costs. First is command and control (we're all well familiar with that); second, self-regulation; and third, economic instruments.

First, command and control. There is a positive role for command and control measures where society, through government, sets overall goals and performance-based standards. Indeed, Michael Porter, in his report, observed that, "The strongest

proof that environmental protection does not hamper competitiveness is the economic performance of nations with the strictest laws." These countries require and stimulate excellent performance by their industries. In fact, serving environmental needs is a big business in the world already. I serve on an environmental advisory panel of a global company, whose environment segment alone does business worth four billion dollars of annual revenue, with 21,000 employees.

The most negative use of command and control measures is when central planners dictate how we're going to do things. Expensive, single-technology solutions, often after-the-fact or on the back end of processes, and applied to only a handful of industries or processes, have been mandated in the past. The effect of these has been to freeze technology, and in fact to stand in the way of continuous improvement. Another negative experience is when we have unclear standards, or a moving target, which kills business investment. These kinds of command and control measures generally are inflexible, and they're often the most expensive measures, which neither benefits the environment nor the economy to any great measure.

No one's really smart enough, in a central planning sense, to come up with the right answers. What we want to encourage is the thousands, the millions of decision-makers in the economy to figure out how best to implement society's goals in their particular area. There's no greater example of central planning failure than the breakup of the Russian empire and Eastern Europe, where not only did they kill their economies, but they also devastated their environments.

Self-regulation is the reverse. An inexpensive option, which drives change within companies through social pressure from peers and the public, as well as fear of government regulation. With notice of enlightened government regulation, and time to adjust, companies can find ways to self-regulate. An excellent, example of this is the Responsible Care Program, developed by the chemical producers in Canada. In fact, it's such an excellent program it's been copied by the chemical producers in the United States, and now has moved into Europe.

A simple way for governments to stimulate such an approach is to take the very simple measure of requiring industries to report all of their emissions, and to report them publicly. For example, in the U.S.A. it caused chemical companies to start making public announcements that they were going to reduce their toxic emissions by 90 percent by the year "X". Very powerful and very inexpensive. Self-regulation, however, can be frustrated by the "free-rider" problem. That is, by a company, or a country not applying the same rules to themselves, and thereby seeking competitive advantage for themselves in the short run.

The third approach to internalizing environmental costs is the most promising, I believe. The use of market instruments in the context of environmental goals set by society through the government. Economic instruments result in demonstrably lower compliance costs than command and control, as they use markets to achieve environmental objectives, and they provide continuous rewards and incentive for continuous improvement. They have the effect of moving us from a mentality of pollution control to one of pollution prevention. As the OECD stated, "Unless prices can be assigned to air, water, and land resources that presently serve as cost-free receptacles for the waste products of society, those resources will tend to be used inefficiently, and environmental pollution will likely increase."

With these kind of advantages, you would think that we would have implemented market-based approaches long ago. However, there is a major stumbling block of a perceptual kind. For some people, the mention of economic instruments, especially charges for the use of the environment, means or sounds like implementing a tax.

Lord help us, not a new tax! The difference that I want to draw between a tax and a charge for using the environment is crucial. It's crucial to understanding the potential for using economic instruments.

To me, a tax is a policy measure on the part of governments utilized primarily to raise revenue for those governments, for the things that governments have to do. A charge for using the environment, on the other hand, is based on rationing the carrying capacity of the environment and is a policy measure utilized simply to change the behavior of both producers and consumers. Now, I'm strongly in favor of charging for the use of the environment through the use of economic instruments applied on a broad and consistent basis. The words "broad" and "consistent" are very important to me, for there can be no free riders. There must be a level playing field where the same rules apply across the board for the same environmental impact, regardless of the industry or economic sector involved.

Not surprisingly, I have trouble getting this across, especially to some reporters. After I've said the above, I go on to say "I'm **not** in favor of a carbon tax". That shouldn't surprise you; my company produces electricity based 90 percent on coal. Carbon tax and energy taxes have been seriously proposed in Europe, but the problem with them is they are too narrowly based. They would fall most heavily on, and would be trying to solve something like the greenhouse effect by putting all of the costs onto the OECD countries versus the whole world, and worse than that, on one industry called the energy industry. That would be crushing, I would suggest, for both Alberta and Canada.

I **am** in favor of a charge for the emission of all greenhouse gases where that charge applies to all sectors of society, all industries, all countries — at least all developed countries. By advocating such a charge, I'm also emphasizing two points.

First, that this charge really applies to the production of waste, in this case greenhouse gases, rather than the resource itself, be it coal, oil or rice paddies. By directly charging the waste, we will all have the incentive to reduce waste.

Second, the impact of such a charge should be revenue-neutral. This is a strong position taken by these forty-eight CEO's. Our position is that all of the money collected by using such charges should simultaneously reduce taxes on good things, like savings and investment. And interestingly, that gives a second positive kick for the environment, because many of the environmental solutions that we're going to have to pursue, including in the Third World, are very capital intensive. So by having a lower cost of capital by lower taxes on capital, we will get more environmental projects off the ground. And if this means for TransAlta that we have to pay more, so be it, as long as we're on the same field with everyone else. Then I know we'll figure out how to compete in this new world, and I know also that we will have a system that will give us the right incentives to change in the right direction.

When you think about it, industry managers are always seeking to minimize their total costs. Suppose that we, as society, started charging for using any part of the carrying capacity of air, land and water, whether in the form of charges or selling tradable emission permits. This would clearly have the effect of converting waste production into a real input cost for industry. Waste charges would become an input cost just like we now pay for labour, materials, fuel and for capital. So we would also pay for our part of using the environment's carrying capacity.

What would the result of that be? Managers would find new ways of optimizing their processes to minimize those environmental charges. Thousands of managers would then find ways to minimize the cost at the front end of the process and would automatically be minimizing their impact on the environment. The stage would be set for innovation in production operations, process design and the development of new technology. And it would cost less for all of us.

What I'm really talking about again is partnership with government, business and other stakeholders in building an enabling framework for business to efficiently and effectively implement society's goals. I agree with the Minister of Environment from Germany who said, "Simply put a process in place, and then we'll be amazed at what we really accomplish and how fast we accomplish it, instead of sitting back in a debate on feasibility." As I said earlier, we can then make hundreds of mid-course corrections as we go along.

Some people doubt that sustainable development is feasible. I don't think I heard that doubt expressed in this room, so maybe I'm belabouring a point, here. But some are concerned or fearful of the change. The minute we talk about major change, the emotional tone of a room sometimes goes from hope to fear. Change by its very nature calls for doing things differently, and initially that kind of unknown difference can be frightening. But I know we can do it. We can make these major shifts, like sustainable development, because we have done it before. Think about it.

Look at what we've accomplished in improving worker health and safety, at the same time as lowering costs. We have made dramatic improvements in product quality and service quality at the same time as improving productivity. In other words, we've already taken pairs of alleged opposites, like worker safety versus productivity, quality versus cost, and turned them into partners. We've done it by being innovative and creating new ways of doing things. I'm confident we can do it again, with environment and economy.

Next, you're going to be asked to work on the opportunities and barriers or constraints to pursuing sustainable development. What we need from you, the leaders in this room, is innovation: the creative ideas that make it possible to progress on both the environment and the economy at the same time. In fact, to reach for breakthroughs. That sounds like a tall order, but it's not unusual. When you think about it, these kinds of breakthroughs have been the stuff of human progress throughout our history.

Specific Challenges for Alberta: Opportunities and Constraints
Community-Based Development
Thematic Speaker: Mr. Dale Dowell

As Iris Evans said, we've had a chance over the last month to talk to a number of people, and we have spent a fair bit of time ourselves talking about the opportunities for sharing ideas at this conference. We recognize that this is an important session but that there is an ongoing process. Iris and I are both looking forward to the discussions, today and tomorrow, and the opportunity to exchange ideas with all of you. We know that many of you have been involved with economic development strategies in your own particular communities, and that you all have a strong interest in this area.

In terms of the session objectives, as you know from the material distributed for the sessions, we have two workshops. One is to identify opportunities and constraints; the second one is to look at options and choices. What I want to do now is share some ideas for discussion in your groups. I recognize that as we talk about ideas, there will be many positive ideas coming forward out of the groups. Iris and I are quite optimistic that out of this particular session, we will be able to come back to the plenary session with some very strong initiatives for the government to consider in putting together this strategic plan for Alberta.

I'll just quickly go over the key things that I want to cover this afternoon.

- First is a brief definition of economic development.
- What are some of the elements for successful economic development in communities?
- What are a number of community locational factors that should be considered in putting together community-based economic development strategies?
- What are some of the economic development patterns for the 90s?
- What are some of the opportunities and constraints, and some of the choices that we should be considering?

The definition of economic development I have is from the American Economic Development Council. It's simply that economic development is the process of creating wealth through the use of people, money and materials, to generate marketable goods and services. There is always a question about the distribution of that wealth, but economic development focuses first on the creation of wealth. The community that has economic development is fortunate enough to have some choices about what else can be done within the community.

There are some common elements of successful economic development that I want to review. These elements are based on information we have from various communities that have successful economic development strategies.

The first element is that you need a plan. We're involved today in working as Albertans to develop a plan for Alberta. You have to develop the vision, goals, initiatives and priorities.

The plan has to be based on a candid assessment of community strengths and weaknesses. We then determine our strategies to address those weaknesses and our strategies to build on those strengths.

Another common element for successful economic development is strong community support. You need community involvement in developing the strategy and initiatives. You need partnerships of stakeholders: business, government, labour education, disadvantaged groups. As the Round Table material points out, these community partnerships or stakeholder partnerships need organization, and organization is more than structure. It's building bridges for people to work together in the community. The final point is that you must build on your successes. Your plan should identify strengths and weaknesses, and address those weaknesses, but the plan must build on particular strengths and build on the successes within the community.

There are a number of factors that contribute to economic development in a community.

One factor is access to markets, geographic proximity, transportation services, telecommunications, mail, etc. The access of the community to markets is very important.

Another important factor is the access to resources — energy, water, raw materials, business services — important resources for economic development within a community.

Another factor is the workforce. The workforce availability, the skill levels, the cost and labour-management relations have to be considered because they contribute to economic development.

Other factors such as space, land availability and cost, building availability and cost, construction costs, financial capital, seed capital, venture capital, debt — a number of those ideas have come up in the round-table discussions and discussions through the local development initiative.

Public sector investment is another factor, investment in education systems, local transportation, water and waste-water systems. Infrastructure is very important for economic development. Public sector costs are a factor. What are the costs of business taxes, personal taxes and various regulatory policies? Those costs again have an impact on economic development.

Quality of life is a factor. A number of groups have talked about the importance of quality of life, about things like the cost of living, housing cost, housing quality, and property security. Crime, safety, climate, the physical environment, recreational and cultural opportunities impact quality of life, which is becoming more and more an important factor in terms of community economic development. As somebody pointed out, a key consideration of the quality of life is where do the owners of businesses, where do entrepreneurs want to live. In summary, those are some of the factors that provide an important contribution to economic development in communities.

I want to talk now a little bit about some of the patterns for economic development in the 90s across North America.

TELECOMMUNICATIONS AND COMPUTER TECHNOLOGY AIDS DISPERSAL OF SERVICE INDUSTRIES

The first one, and somebody made this observation in one of the groups, is that the rapid advance of telecommunications and computer technology increases the dispersal of many service industries across Canada and across North America.

QUALITY OF LIFE ISSUES FAVOUR NEW REGIONS

As major cities get more crowded and expensive, then quality of life issues will grow in importance, opening up economic development chances for smaller communities and new regions in the country. Now these patterns may create some opportunities for many Alberta communities. We talk about larger cities like Edmonton and Calgary, but realistically, if we start comparing Edmonton and Calgary to places like New York and Toronto, there are opportunities in terms of quality of life in Calgary and Edmonton as well as smaller communities in the province.

There are opportunities for attracting businesses, for attracting entrepreneurs, but there are also important opportunities for retaining businesses and entrepreneurs. Retention is as important in communities as is business attraction.

COMPETITION FOR ECONOMIC DEVELOPMENT

Another trend is increased competition among communities in North America for economic development. More and more communities are getting on the economic development bandwagon. It's a competitive business. As somebody said, we don't have time to wait. As a province we don't have time to wait. As members in our different communities, we don't have time to wait because other communities are moving ahead with aggressive economic development strategies.

RECOGNITION THAT COMMUNITIES ARE UNIQUE

There's a recognition that communities are unique. Different communities will have different economic development goals, different values. There will be different locational factors in terms of workforce, quality of life, access to markets, etc. Community leadership will vary. So, as a result, we should not expect to have common economic development plans. These plans are going to be different for different communities. And that's positive because it provides more choices for people within this province.

NEW OR REVISED ECONOMIC DEVELOPMENT ORGANIZATIONS

There's a trend to create new organizations or restructure existing economic development organizations. That trend is expected to continue. These new structures will be marked by further regionalization. Some of you are probably familiar with what is happening in Denver or Louisville. In Alberta, there is the Lake-Newell region where a number of communities are working together; also, the Metis Nation of Alberta has identified economic development as a very important part of its vision. So we have communities working together, with regional cooperation. Now communities may choose not to be involved in regional groups, but the trend across North America is to develop more regional cooperation and more regional structures.

PUBLIC/PRIVATE PARTNERSHIPS

Public/private partnerships are also a trend across North America. Examples of public/private partnerships include educational institutions and businesses working together for cooperative training programs.

There are also opportunities for educational institutions, businesses and government in terms of commercializing the innovative research and development of our educational institutions to generate economic development.

Quality of life involves private/public partnerships. The many stakeholders in the community must work together to improve the quality of life. When you talk about public/private partnerships, as the president of one Chamber of Commerce in the United States said, "Teamwork is the rule through partnerships and networks." Culture and arts are very important to the quality of life. I know many business people are heavily involved in culture and arts, so again you've got bridges for people to work together.

When we talk about business attraction or business retention, many business and community people have told us they want to be involved in the community, but they want to live in a community where the people are working together.

Some of the comments that came out of the Alberta Round Table discussions noted the need to support entrepreneurs with venture capital. The idea of privately raised community bonds or possible small business equity corporations was discussed. These are further examples of opportunities for private/public partnerships.

Again out of the Round Table discussions, there were points discussed about the need to provide assistance to entrepreneurs to develop business plans. Well, this opportunity should involve educational institutions, Chambers of Commerce and other groups within the community.

Business incubators are another opportunity for private/public partnerships. Business, education and government alliances, through business incubators, can encourage innovation, retraining the unemployed, or encouraging Aboriginal businesses. These are all examples of opportunities to develop public/private partnerships and, as a community, work together to encourage economic development.

COMMUNITY IMPROVEMENTS

Community improvements is another trend across North America. There is an emphasis throughout North America on product development, recognizing that there are improvements necessary in communities to generate economic development. What does a city or community offer to its current enterprises, and to enterprises that it is trying to attract to that particular community? When you assess locational factors, it may be that more has to be done. In many cases, it is dealing with attitudes and perceptions. There is sometimes a tendency in communities not to recognize all their strengths; communities have to promote that type of information to retain businesses and attract new businesses.

When you consider community improvements, a key theme is to prepare for the jobs of tomorrow. Communities should be looking towards the twenty-first century and recognizing the importance of such locational factors as education, technology and the quality of life. These factors will be very important for economic development as we move into the twenty-first century.

THINK GLOBALLY – ACT LOCALLY

Another pattern, which is quoted in your session material, is the importance of "thinking globally, but acting locally." There is no question that, as Albertans, we are impacted by international trends; there is no question that there are opportunities for us to compete internationally. But economic development is generated from within the community; as communities, we have to work together in order to generate greater economic development.

Given these patterns across North America, what are some of the opportunities?

Well, one opportunity is to attract and retain businesses due to the quality of life — utilizing computer systems and telecommunications. That's an opportunity for many Alberta communities.

Another opportunity is the need for information networks for communities — information on new markets, information on new technologies.

Regional cooperation is another opportunity — communities working together.

Another opportunity is to work with entrepreneurs. A number of people have discussed this point, particularly in the Round Table discussions. The importance of entrepreneurs to the community and to economic development should be recognized.

Community economic development bonds are another opportunity. This idea was discussed with the Local Development Initiative. These bonds could be for local projects, and I am sure many of you have ideas of what is required. Essentially, the idea is to come up with some local financing vehicles, whether bonds, venture capital or loan circles.

There are opportunities for tourism in many Alberta communities, which have been identified in the Round Table discussions and in the material that has been developed for this conference.

The education of future leaders is another opportunity. A number of people have made the point that learning is lifelong. From work we have done in the economic development area, learning also includes disadvantaged groups.

I know many of you have ideas on opportunities, and we are looking forward to discussing these ideas in the next workshop. In that workshop, we should also be talking about constraints. I would rather use the term "challenges" than constraints, because in many cases a constraint may lead to an opportunity.

One constraint or challenge is limited government resources. Another one is the self-interest of stakeholder groups. There are examples of regional economic development efforts in different communities in the States that have not worked because of the self-interest of stakeholder groups. There also are many examples where stakeholder groups have worked together and the economic impact has been tremendous.

Another challenge is competition with other communities. Across North America, economic development is a competitive game. Within Alberta, there are opportunities for us to compete better by working together as communities, but let's recognize that we have to get on with the job ... that other communities are moving forward.

Demographic trends is another challenge. A number of trends are identified in your workshop material: changes with regard to the aging of the population, changes in family units, Aboriginal issues, immigration, migration. I am not sure those are constraints. In my view of the world, those are opportunities, resources that we can build on with the community to help us with economic development. So that's why I prefer to use the term "challenges" rather than "constraints." But I think it is important in our workshops that we talk about some of the challenges so that we come up with practical initiatives for a strategic economic development plan for Albertans.

In the third workshop tomorrow, we'll talk about options and choices for Alberta. I know you have many views on options and choices. Let me propose a few ideas.

WORK WITH ENTREPRENEURS

There is an option to assist entrepreneurs with information, business plans, mentoring, capital, etc.

ROLE OF GOVERNMENT

What is the role of government? The issue has been discussed in the Local Development Initiative and the Round Table discussions. In fact, a comment through the Round Table discussions is that we should help communities help themselves. But what does that mean? Does it mean indirect support through an attractive business investment climate and competitive tax rates? Does it mean providing counseling and information services? Does it mean providing financial support through community Economic Development Bonds or through venture capital? Does it mean infrastructure investment? Those are all very good questions that have been identified in the conference material. I think the role of government is an important issue or choice for Albertans to address.

REGIONAL COOPERATION

What opportunities are there for communities to work together? Private/public partnerships are another important option or choice for Albertans, but how do we develop the teamwork? How do we encourage business leadership in the community? How do we build the bridges among community stakeholders?

There are a number of private/public joint ventures that have been tried in other communities for infrastructure investment, for training, for encouraging entrepreneurs, for raising capital and for commercializing research. But what are the particular initiatives we should be considering for Alberta?

COMMUNITY INVOLVEMENT

Another very key choice. How do we pull communities together? We know that broad-based community support is essential for successful economic development, and this support has to be broader than traditional business/government/labour alliances. How do we involve the disadvantaged. How do we involve Aboriginals? How do we involve culture and arts groups? How do we involve business? How do we involve labour? And out of these groups will come the many volunteers who are so key to the economic development initiatives.

So those are a few options, a few choices. And I know you have others that we are looking forward to discussing in the groups. It is my pleasure to be able to share a few ideas with you this afternoon. Iris and I talked about some of these issues. We are looking forward, along with the facilitators, to the discussions in the workshops. And I think one of the comments out of the morning's plenary session is very important. What we are doing here is looking for new ideas for economic development, new ideas for doing things better. So if there's a lifeboat, we're not looking at dismantling it for the parts.

8. APPENDIX C: List of Conference Participants

Conference Delegates C1

Conference Moderator C14

Conference Dinner Speaker C14

Conference Thematic Speakers C14

Conference Facilitators C14

Conference Recorders C15

Conference Delegates:

Adair, J.A.
Minister of Transportation and Utilities

Addington, Bill
Canadian Western Bank

Ady, Jack
MLA

Albrecht, Ken
Improvement Districts Association
of Alberta

Alden, Arleigh
Town of Okotoks

Andersen, Christian
Canadian Forest Products

Anderson, Esther
Canadian Bankers Association

Andrew, Sean
University of Alberta

Andrews, Mike
Alberta Vocational College

Andrews, Paula
Mayor, Town of Canmore

Angevine, Gerry
Canadian Energy Research Institute

Arcand, Richard
Yellowhead Tribal Council

Arling, Lynne
Consumers' Association of Canada

Baikie, Carolyn
Fort McMurray Regional Business Centre

Baldwin, Doug
Esso Resources Canada Limited

Ballheim, John
Devry Institute of Technology

Barefoot, Gordon
Ernst & Young

Barge, Brian
Alberta Research Council

Barker, Roberta
Western Canada High School

Barnard, John
Leduc-Nisku Economic Development
Authority

Bates, Paul
Planning and Economic Development,
Canmore

Bell, Jim
Alberta Food Processor's Association

Bennett, Michael
IRC Research

Bertram, David
Bertram Management Consulting

Betkowski, Nancy
Minister of Health

Bigelow, Lark
Alberta School Boards Association

Blair, Douglas
Alta Genetics Ltd.

Blair, Harry
Shell Canada

Blair, Robert
Nova Corporation of Alberta

Blakely, Robert
Alberta & NWT Building and
Construction Trades Council

Blakely, Ron
Shell Canada Limited

Blyan, Joe
Buffalo Lake Settlement General Council

Bodmer, G.
Town of Olds

Boissonnault, Randy
University of Alberta Students Union

Boothe, Paul
University of Alberta

Bosetti, Reno
Alberta Education

Boss, Wayne
AGT Limited

Bouvier, Ethram
Metis Association of Alberta

Bradley, Fred
MLA

Brar, Mike
Office of the Premier

Brawn, Robert
Calgary Economic Development Authority

Brewster, Tom
Quality Council of Alberta

Bridges, Kevin
Brooks Regional Economic Development Advisory Committee

Broadfoot, Ken
Alberta Technology, Research and Telecommunications

Bromley, David
David Bromley Engineering (1983) Ltd.

Brosseau, John
Edmonton Catholic School District No. 7

Brown, Bill
Alberta Distillers Ltd.

Brown, Ted
City of Calgary

Browning, Gary
Alberta Urban Municipalities Association

Brunner, Bernie
Alberta Association of Multicultural Education

Bruseker, Frank
MLA

Bullock, Brian
Intera Technologies

Burnstead, Ivan
Asia Pacific Foundation of Canada

Burrows, Gerry
Deloitte Touche

Buski, Julius
Alberta Teachers' Association

Butti, Olivia
Edmonton Real Estate Board

Bykewich, Jason
MacNally Composite High School

Cahill, Peter
University of Alberta

Calder, Frank
Calder Bateman Communications

Cameron, Mary
I.D. Systems Limited

Campbell, Gary
Northwest Trust Company

Carrie, Judith
IGW Canada Inc.

Cattran, Doug
Dow Chemical Canada Inc.

Cetinski, Ace
Sherwood Park and District Chamber of Commerce

Chambers, Ted
Western Centre For Economic Research

Cherlet, Ron
Construction Labor Relations Alberta

Chesney, Monica
Mayor, Town of Ponoka

Church, Bob
Premier's Council On Science and Technology

Church, Rosemary
Alberta School Boards Association

Clark, Richard
Alberta Forest Products Association

Clausen, Larry
Member of the Public

Clement, Doug
Edmonton Economic Development Authority

Coad, Raymond
Town of Coaldale

Coady, Bernie
Delta Catalytic Corporation

Collicott, Betty
Mayor, City of Fort McMurray

Conrad, Cara
Henry Wise Wood High School

Conradi, Peter
Bank of Montreal

Coon, Robert
Stony Plain District Chamber of Commerce

Couture, Joe
Tourism Industry Association of Alberta

Craig, Al
Alberta Tourism, Parks and Recreation

Crate, Len
Louis Bull Tribal Administration

Croft, Bill
Calgary Research and Development Authority

Cumming, Thomas
Alberta Stock Exchange

Currie, John
Calgary Chamber of Commerce

Dahl, Marvin
Reeve, County of Warner No. 5

Danyluk, Darrel
Reid Crowther and Partners Ltd.

Dasent, Nancy
Executrade Personnel

Davenport, Paul
University of Alberta

Davidson, Jeff
The University of Calgary

Day, Stockwell
MLA

Dechamplain, Jean
Sturgeon Health Unit

Deol, M.
Town of Drayton Valley

de Rappard, George
de Rappard Enterprises Ltd.

Derbyshire, Rick
Medicine Hat Chamber of Commerce

Devenny, Dave
Gulf Canada

Devlin, Nick
The University of Calgary

Deys, John
Town of Taber

Dezutter, Pat
Alberta Family and Social Services

Dinning, Jim
Minister of Education

Dixon, J.E.
Public Service Commissioner

Dodd, Lindsay
University of Alberta

Donald, Jack
Parkland Industries Ltd.

Duckworth, Archie
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Ford, Robin
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Griffin, Allison
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Johnson, Dennis
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McGown Johnson

Johnstone, Alvin
Alpha Milk Company

Joly, Clarence
Town of Edson

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